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TAIWAN, FRANCE SEEK TO PARTICIPATE IN OIL PROJECTS

La Paz HOY in Spanish 26 Feb 81 p 7

[Text] France and Nationalist China are ready to cooperate in plans and projects of the Ministry of Energy and Hydrocarbons.

Representatives of both countries visited the minister of energy and hydrocarbons, Frig Capt Lider Sossa Salazar separately for the purpose of formalizing this offer and to talk about other topics of mutual interest.

Ambassador

The ambassador of Nationalist China, Eduarado Tsu Yun [name as published], paid an office visit yesterday to Minister Sossa. On that occasion, the diplomat presented a note making known the imminent arrival of the vice president of the Chinese Oil Corp, Te Nei Wu, who will remain in the country for a period of 1 week to study the possibilities of the Chinese organization's engaging in oil exploration in Bolivia.

To this end, Minister Sossa called upon YPFB [Bolivian Government Oil Deposits] to prepare a program of activities for the above-mentioned foreign official, including, among others, a tour of the country's oil districts.

The contact to be made by the above-mentioned vice president with officials of the national oil organization, according to statements made by the Bolivian Ministry of Energy, will permit an exchange of technical experience; and, along these lines, a possible advisory role is envisaged in the fertilizer and urea production sector, a field in which Nationalist China possesses advanced technology.

Charge

A visit was also paid to the Minister of Energy and Hydrocarbons by the commercial charge of the French embassy in Bolivia, Jean-Michel Poupard, who described his government's plan to reactivate programs agreed to by both nations.

Such a possibility opens new prospects for moving forward on technical and scientific agreements signed by Bolivia and France.

The visitor reported the arrival of French technicians for the purpose of analyzing existing studies on the harnessing of geothermal energy in Bolivia.

Similarly, the French representative presented the offer of a scholarship for a Bolivian professional to take a course on "natural gas distribution networks" sponsored by the French Technical, Industrial and Economic Cooperation Agency.

When the minister thanked the commercial charge for his visit, he described French interest in intervening actively in the country's development as auspicious and said that such interest is being demonstrated through the continual participation of French companies in bidding on projects envisaged by the government, such as the San Jacinto Multiple Project, the construction of the Altiplano Gas Pipeline and others.

The minister did not rule out the possibility of French oil companies expressing interest in exploration work in this sector coming to the country with risk capital.

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ENERGY OFFICIAL SEES BRIGHT FUTURE IN OIL PRODUCTION

La Paz PRESENCIA in Spanish 25 Feb 81 p 8

[Text] Within a period of 1 or 2 years, national oil production will experience a sharp increase as the result of exploration work and the development of producing fields now being carried out, according to the minister of energy and hydrocarbons, Frig Capt Lider Sossa Salazar.

He said that for the moment it is difficult to say when production will be increased, however, in any event, positive results are expected from the work being done by Bolivian Government Oil Deposits [YPFB] and several foreign companies working in the country under "operation contracts."

He reiterated that of the new producing fields, the one nearest to becoming operational is the Porvenir Field in Chuquisaca Department. Occidental, a U.S. company which is in charge of its development and exploitation is completing the preoperational work so that, in accordance with the official timetables, Porvenir will begin production in the early days of August.

Preparatory work was started in the last half of 1980, after the positive results of Occident's exploration in Chuquisaca Department were known.

According to official reports, the U.S. company--which will own half the oil produced and will sell it to the YPFB--is investing approximately $50 million.

Porvenir's production, estimated at about 8,000 barrels per day (54 API Grade), will permit the resolution of present problems deriving from the deficit in national production.

(According to official statistics, national production continued to decrease last year and was slightly in excess of 22,000 barrels per day in December.)

Minister Sossa said yesterday that the production deficit will be overcome only with Porvenir production. In the meantime, deficiencies in the production of heavy fuels will be remedied by exchanges of fuels with Brazil.

Pursuant to an agreement signed recently by the YPFB and PETROBRAS [Brazilian Petroleum Corp], Bolivia will receive a total of 100,640 barrels of diesel fuel in the next 5 months in exchange for liquefied natural gas and gasolines. There will be no outlay of money by Bolivia; the operation consists simply of keeping in force prior liquefied natural gas and gasoline contracts, which will be paid for with diesel fuel.

Sossa explained that after Porvenir, oil production will begin at the Tacobo, Vuelta Grande and El Espino fields, which are now being explored and developed.

Additionally, it is hoped that oil reserves will be increased as a result of efforts to quantify national natural gas reserves.

Sossa expressed his optimism by indicating that once the problems of the next 5 months have been resolved, guarantees can be given for the future by means of oil production in sufficient quantities to meet the needs of the domestic market.

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GAS RESERVES STUDY SIGNIFICANT TO PLANNED PIPELINE CONSTRUCTION

La Paz HOY in Spanish 26 Feb 81 p 4

[Text] The inventory of natural gas reserves will require the investment of $41.8 million, according to the minister of energy and hydrocarbons, Frig Capt Lider Sossa, who announced that this project will be carried out as originally planned.

The head of this ministry presented a historical account of this project, explaining that in June 1980 loan agreements totaling $32 million were signed with the World Bank, through the International Development Association, and the Inter-American Development Bank for the purpose of quantifying the reserves and determining the country's real gas energy potential, with a view to the construction of the gas pipeline to Brazil for the export of 400 million cubic feet daily.

He said that the above-mentioned package of contracts includes principally a three-phase operation: seismic exploration, processing and reprocessing of the 4,280-kilometer-long seismic lines, drilling 21 wells in the Boomerang area and two in Vuelta Grande, final certification of gas reserves under control of authorized companies and, finally, the carrying out of a project for secondary recovery in the Monteagudo field in Chuqisaca District.

The official report indicates that the work timetable is being met as scheduled, with the processing of seismic lines and, concomitantly, the drilling of advanced and development wells.

The Minister of Energy and Hydrocarbons said that determination of gas reserves means the inventorying of a nonrenewable energy resource of fundamental importance to the country and that this will put us in a position to program the study of the domestic market for natural gas with its corresponding projections and, in line with the ministry's decision, to meet the needs of the national market on a priority basis, by assuring its supplies and providing coverage for petrochemical, industrial and mining projects.

He reiterated that the carrying out of the entire project will require the investment of $41.8 million, with Bolivian Government Oil Deposits providing $9.8 million for machinery, equipment and personnel costs.

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SERIOUS STUDY ON ALCOHOL PRODUCTION RECOMMENDED

La Paz PRESENCIA in Spanish 25 Feb 81 p 3

[Editorial: "Alcohol, Gasoline and the Bolivian Situation"]

[Text] The crisis in the world supply of oil is becoming increasingly acute. That is clear, although as an exception, there are countries which have large reserves for world consumption temporarily creating a glut on the market. The crisis manifests itself with respect to prices and the reserves held by the producing countries.

As for the first of these aspects, price rises are continual; there is a rise after almost every OPEC meeting. There is no one so unrealistic as to believe that, at some point, there will be a drop in prices. The most discreet individuals feel that in 5 years a barrel of oil will be in excess of $50, at constant prices. There are many who are of the opinion that such a rise will take place earlier, particularly if special events take place in the world.

As for reserves, technical organizations state that production can still increase a bit in this decade; however, after that there will be a continual drop until, perhaps in the following decade, the moment arrives when, if substitutes have not been found, mankind will have to face up to an extremely serious stiuation.

Because of this, there is a present trend toward seeking substitute energy sources, with regard to which Bolivia holds a position that in large measure is privileged; such is the case with respect to the possibility of using wind, solar energy and hydroelectricity. In any event, what is involved is long- or medium-term development, depending upon construction time, or experiments which still have not had large-scale application.

Of course, the question of gasoline and diesel fuel which are used in motor vehicles will be left unresolved. The need for substitutes for such purposes is becoming more urgent and even critical. In principle, two solutions have been advanced: electric motors and alcohol. The former have not produced satisfactory results; on the other hand, alcohol is already being used in millions of vehicles, apparently with encouraging results.

This development has led an organization of continental scope, the OLADE [Latin American Energy Organization]--of which Brazil is a member--to analyze and, in a sense, to recommend that the possibility of using alcohol in motor vehicles be considered as a short-term solution.

Research conducted, particularly in Brazil, has gone beyond the experimental sector: there are millions of vehicles which, in the neighboring country, are using alcohol, if only partly, where an entire automotive industry is manufacturing vehicles adapted to the new fuel. At one time, this solution seemed uneconomical and noncompetitive compared to gasoline; however, it is apparent that this disadvantage has vanished in the face of oil-price rises, particularly those which are forecast for the near future.

It is obvious that Bolivia is greatly interested in this solution which can serve us for many years. Of course, over the short-term there may be a preference for the replacement of gasoline by liquefied natural gas which we have in relative abundance. However, this will not be a permanent solution; and, what is more, we must take into consideration the necessity for saving natural gas as much as possible. Natural gas is not only an energy source but is also a nonrenewable energy resource, and a raw material for many industries. On the other side of the coin, we have vast expanses of land which can be used for the cultivation of sugar cane to produce not only the alcohol we need but also alcohol for export to countries which, it appears, sooner or later will have to use it, just as Brazil has already done.

Since it is equally difficult to design and construct the installations which would be needed, it is in the best interests of Bolivia to initiate studies to develop what will probably be a large future industry, the source of perpetually renewable wealth. Even now this is our hope, at a time when our supplies of hydrocarbons and some metals fundamental to the maintenance of our economic life appear to reaching their final stages.

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NATIONAL OIL PRODUCTION REPORTED INCREASING

Bogota EL ESPECTADOR in Spanish 1 Mar 81 p 1-A

[Text] Starting in the second half of 1980 there was a gradual increase in petroleum production in Colombia; this concluded a period of gradual decline which had lasted for several years, during which our imports of hydrocarbons had to be increased.

A report from ACIPET [Colombian Association of Petroleum Engineers] said that in December 1980 there was the highest production volume of the year, with 128,350 barrels per day in operations conducted by ECOPETROL and six affiliated companies. From the ACIPET statistics we find that in the first half of the year the national production was 22,376,157 barrels and in the second 6 months, it was 23,133,310 barrels, a net increase of 757,153 barrels.

Increase

The volume produced showed fluctuations through August, but starting in September there was a steady rise, showing a positive difference of 5,719 barrels per day in a comparison of the January production with that of December.

The accumulated production by months of the ECOPETROL companies (Centro, Condor, Din, and Petrorio) and of its associates Chevron, Colcito, Hocol, Intercol, Terra Resources, and Texaco was as follows: January, 122,631 barrels; February, 122,581; March, 121,439; April, 122,483; May, 123,233; and June, 125,361 barrels. The daily average in the first 6 months of 1980 was 122,954 barrels.

In the second half of the year, production was the following: July, 123,999 barrels per day; August, 122,508; September, 125,430; October, 126,003; November, 128,125; and December, 128,350 barrels. The daily average in this 6-month period was 125,735 barrels.

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FOOD FOR OIL DEALS WITH ALGERIA, OTHERS DESCRIBED

Bogota EL ESPECTADOR in Spanish 1 Mar 81 p 8-A

[Text] The governments of Colombia and Algeria are close to reaching a trade agreement between the two nations, an agreement for the exchange of agricultural products for oil, the minister of agriculture, Gustavo Dager Chadid, reported yesterday.

Through this agreement Colombia will sell to Algeria each year about $150 million in coffee, tobacco, rice, cocoa, sugar, meat, cotton, and bananas, and it will receive crude oil of the same value; this will help to resolve a significant portion of the problem of the fuel supply and its import.

The minister of agriculture, Dager Chadid, said that the talks that are in progress with the ambassador of Algeria, Abdallah Fadil, "are well advanced and a number of technical discussions have been held with officials from the ministry of agriculture and from ECOPETROL [Colombian Petroleum Enterprise], so that the agreement can be concluded as quickly as possible."

In addition to pointing out the significance of the future agreement for the mutual benefit of both countries, Dager Chadid said that "in exchange for Algerian crude, we will send coffee, tobacco, rice, cocoa, sugar, meat, cotton, and bananas; this is in compliance with our government's intention to increase exports of our agricultural surpluses, and in this sector of the economy in general."

In order to conclude the agreement with Algeria, the Colombian government has appointed a special commission which will soon travel to Algeria.

Members of this commission are: the former minister of finance, Alfonso Palacio Rudas; the vice minister of agriculture, Carlos Ossa; the undersecretary of economic affairs of the Ministry of

Foreign Affairs, Luis Carlos Villegas; Antonio Hernandez, financial adviser of the Ministry of Agriculture; Jose Fernando Isaza, president of ECOPETROL; Antonio Velez, head of the commercial division of ECOPETROL; and Raul Aguilar from the Ministry of Foreign Affairs.

Dager Chadid said that this is the first time that Colombia will trade directly with an Arab nation in a number of agricultural items. "This will open up a new and potentially permanent market for our production surpluses."

Other Agreements

Last year it was learned unofficially of similar contacts made by the Ministry of Agriculture with Venezuela and Ecuador, countries with which we would be interested in trading some food products for fuel. Nonetheless, in neither of these two cases was any official result obtained.

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MESITAS HYDROELECTRIC PLANT DUE IN 1983

Bogota EL ESPECTADOR in Spanish 1 Mar 81 pp 17-A, 29-A

[Article by Carlos Diaz]

[Text] When the figure of 18 billion pesos is mentioned, just the figure alone will draw attention. But it is much more significant when this sum is destined for a project of the magnitude of the Mesitas hydroelectric plant.

The magnitude of the engineering involved is amazing. It seems incredible that a few men can embark on an adventure of this nature so that the people of Bogota can enjoy all the convenience and advantages offered by electric power.

And yet, this effort seems almost wasted when we learn that the plant's power production capacity will be exceeded by demand within 18 months, and consequently other projects now in progress thoughout the nation will be needed. In other words, the city's consumption is growing at such an overwhelming rate that this project, no matter how spectacular it may be, is not enough.

These data were supplied by the manager of Electric Power of Bogota, Roberto Casares Bolanos, during an inspection of the plant's facilities, accompanied by a number of administration officials and some city council representatives.

The Project

According to Casares Bolanos, Mesitas is part of the nation's electrical expansion plan. It is designed to generate 600,000 kilowatts and is scheduled to begin operating in March 1983.

Its fundamental parts are: the pumping stations that will have a capacity of extracting 51 cubic meters per second from the Bogota River, at the Muna dam site.

There is also the steel tubing for which a "bench" has been built. This tubing is 3.7 kilometers in length and its diameter varies between 3.10 and 3.70 meters.

There is a sort of large pool lined with stone. At one end of this pool is the outlet for the shaft or tunnel which is named Granada Uno (Granada One). At this site the visitor can appreciate the state of progress of the construction of the catchment towers.

Connected with Granada is a tubing system which consists partially of underground pipes and partially of aboveground pipes. The underground pipes have a total length of 18 kilometers; the majority of these pipes are covered with conventional concrete, while others are armored with steel and pneumatic concrete. The pipes--consisting of 8 kilometers of steel--are between 3-1/2 and 4 meters in diameter.

The visit also included the two machinery buildings and the concrete structures which have been completely built by a Colombian firm. There are girders on which cranes will be installed which will be used to install and maintain the equipment.

In the storage area we could see that all of the equipment is ready--the turbines supplied by a Norwegian firm, and the generators and transformers that are of Japanese manufacture.

The Cost

According to Casares Bolanos, the cost of the project is $360 million. "It is very important to realize," he said, "that the installed price per kilowatt is very low; it is probably one of the least expensive in our country, since the cost per kilowatt is $600 and in general the other projects will cost from $850 to $1,000. In Canada, for example, the installed price per kilowatt is $2,000."

The Surge Tank

Perhaps the most important feature of the project is the construction of a surge tank. For this an aerial tramway was built to raise the essential machinery piece by piece. It is located approximately 300 meters upstream from the tunnel outlet gate; it consists of a vertical shaft 4.10 meters in diameter and 235 meters in depth, and a horizontal chamber 374 meters in length and an excavation diameter of 4.50 meters. Both the shaft and the chamber have a concrete lining.

This vertical shaft is a relief outlet for the great pressures that may arise throughout the conduction system when the gates or valves of one of the machinery buildings are closed. It acts as a connecting reservoir, and the water level will be kept constantly equal to that of the Muna dam.

The project was started in 1970. The bidding and contracts were completed at the end of 1977 and the actual construction began in October 1977. It is scheduled to be completed by October 1983.

"It seems to me," the official added, "that in projects of the magnitude of the Mesitas plant, very long-term planning is needed. That is, these are projects that need 10 to 12 years from the time when the decision is first made to build them until they begin to operate.

"This factor," he said, "is very important if we are to take a correct view in judging the situation rationally. These are not projects which can be done or changed overnight."

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FOREIGN INVESTMENT IN EL CERREJON ANALYZED

Bogota EL ESPECTADOR in Spanish 23 Feb 81 pp 8-A, 11-A

[Article by Miguel Fadul]

[Text] Introduction

This article is an analysis of foreign investment in and the development of El Cerrejon from the viewpoint of a Colombian economist who is concerned about the well-being of his fellow countrymen and interested only in meeting our people's basic needs and raising their standard of living. In writing up this analysis, I had the opportunity to listen to recordings of debates in Congress.

Factors of Production

According to published figures of per capita income, one American today consumes about 12 times as much as the average Colombian.

Why? The answer would seem simple: an American produces 12 times as much as the average Colombian. But why does he produce 12 times as much? It is not because Colombia's land is that much poorer than the developed countries'. On the contrary, we have abundant natural resources and possibly a better climate (no winter). Nor is it because the average American works much harder than the average Colombian. It is true that education is a factor, and this is related to income level. Basically, however, the reason for the disparity is that the United States and the other industrialized countries have means of production, inanimate beings that produce goods and services, and Colombia l cks them.

Land, labor and capital are needed to produce. Someone to coordinate all these factors is also important: the businessman or executive. We have the land, sufficient manpower, and a great deal of progress has been made in the sphere of business, but we lack the capital. We are also perhaps short on technology, but fortunately this can be purchased elsewhere.

Where does capital come from and how is it obtained?

Savings

The only way to create capital or capital goods is through savings.

A carpenter, for example, saves up his money to buy machines that are more sophisticated than a handsaw and a chisel, so that he can produce more chairs and tables with the same amount of effort.

The same thing happens in a society; in other words, the inhabitants of a country can spend or consume less than what they take in and allocate what they do not spend or consume to savings and investment in new equipment and capital goods. This naturally boosts personal income. Therefore, in order to raise a country's and its people's living standard, it is absolutely necessary to make the sacrifice of saving.

In our case, the country's savings or net investments have remained at about 14 percent of total personal income in Colombia. In 1978, the last year for which figures are available, savings and investments absorbed 14.3 percent of total income. This figures varies very little from year to year, and we can therefore assume that it is approximately the same over a relatively long span.

Saving and investing 14 percent of income is enough to raise the living standard of Colombians by 4.2 percent on the average at most, the numbers indicate. This is quite good by international standards. If this rate were to be maintained (which is quite hard), we would need no fewer than 60 years to achieve a standard of living similar to the United States' now. Naturally, Americans would have a much higher standard of living in 60 years. These 60 years would require hard work and dedication. In order to achieve a living standard equivalent to one-fifth of the average American, Colombia would need 22 years, one generation, assuming that the same pace of development is kept up. So then, what can we do to boost income, enhance well-being, create a better life, eradicate hunger, cut down on robberies, reduce social inequalities, enhance education, etc? According to all economic theories, the only way is to increase savings and, therefore, investment. Can this be accomplished with Colombia's populace? It is extremely difficult because the upper and lower classes are unwilling to make sacrifices and therefore cannot be asked to do so. Asking the lower classes to make sacrifices would be condemning them to eat less, to suffer hunger.

So then, should we resign ourselves to what we have? How have other countries achieved a stepped-up pace of savings and investment and, therefore, an enhancement of their standard of living? How did Germany accomplish this after the war? How did Canada, Australia, South Africa and recently Spain do it?

Foreign Investment

There are countries in the world with high living standards and with income that enables them to consume at normal levels and to maintain high savings rates. These savings can be placed in other countries and thus increase total investment.

There are two kinds of savings at work in the world. The first kind is loans, which is what the current Colombian Government is receiving and using to build large airports, highways (Bogota-Medellin), hydroelectric powerplants and other projects. Such projects have increased because foreign savings are being taken in in the form of loans. The other kind is direct investment; in other words, an agency or a person who has savings in one country decides to use them for an activity or a business in another.

This movement of savings from one country to another entails an appreciable amount of risk and must therefore earn a higher profit than regular loans, in accordance with economic standards. For example, foreign investment in businesses might not work out for one reason or another, could be expropriated by the government, as happened in the case of Iranian oil, and is subject to other calamities.

An example closer to home might help to clarify the status of direct investment. If a Colombian has more than enough money saved up and decides to invest in a business in Ecuador or Panama, it stands to reason that he will expect a greater profit margin in those countries than that same investment could yield him in Colombia. This is understandable because an investor does not run as much of a risk in his own country.

We have to assume that a company or person runs the natural risks of investing in another country, Colombia for instance, because it is going to secure higher profits than in its own country. In the case of coal, for example, such an investment might be expropriated for one reason or another, or nuclear fusion might be perfected, which would be a less expensive method of generating power than burning coal.

There have been, of course, many instances in the past of powerful countries humiliating underdeveloped nations. For example, early this century the Italian fleet sailed alongside the port of Cartagena and was going to bomb the city if a debt owed to Italians was not paid off. Thanks to the intervention of Monsignor Biffi, the matter was settled peacefully. Such dealings, which were common last century and even at the outset of this one, have changed radically. The world is more balanced now, and nations can deal with each other on a more equal footing. There have been major gains in education, even in the lesser developed countries, and national leaders are much better prepared. Therefore, the situations are different, the people are different, the approaches are different, and the international philosophy is different. The current danger is not that an investor will exploit a country; on the contrary, it is the investor who is facing the major risk.

The people who have savings obviously do not place them in areas where the risks are high or in countries that do not have a traidition of honoring their commitments. In many cases, foreign investment enters a country only through international organizations such as the World Bank or the Inter-American Bank.

The overseas funds in El Cerrejon are direct investments coupled with the technology needed to work coal mines.

Absorbing Foreign Investment Into Production

Opposing foreign investment is a political ploy in many countries that at times yields benefits in an election campaign. Many people make the major error of assuming that foreign investment supplants or crowds out domestic investment. Foreign investment complements or adds to domestic investment.

To gage the extent of the El Carrejon Project, we can compare the investment needs there in the near future with what Colombia invests in a 1-year period. In 1978, the last year for which figures are available, the country invested a total of 104.8 billion pesos. Investments in El Cerrejon are estimated at $2.9 billion, and if we go back to 1978, when the exchange rate was 41 pesos to the dollar, this is equivalent to 118.9 billion pesos. In other words, this venture alone requires more investment than Colombia makes in 1 year in all spheres of activity. Since some of it is foreign investment, this is extra money that further raises the living standards of Colombians. We must keep in mind that the project studies alone cost 2.5 billion pesos.

El Cerrejon

Although El Cerrejon was known to contain coal as long as 100 years ago, it was not until 1969, under Dr Carlos Lleras Restrepo's administration, that initial exploratory drilling began. The IFI [Industrial Development Institute] contracted Mining and Engineering Technical Services (PTY Ltda), a specialized South African company, to study "Saraita" in the central section of El Cerrejon, which today belongs to CARBOCOL [Colombian Coal Company, Inc]. The company determined that there was a bit more than 100 million tons of coal there, which was regarded as a major amount. Unfortunately, however, little was done afterwards, even though the country was aware of this resource, basically because the price of coal was very low.

Intercor recently researched the northern section and discovered 1.6 billion tons of coal that can be tapped down to 200 meters. Also, according to statements by the minister of mines, 1 billion tons of extractable coal have been found in the central section of El Cerrejon, deposits that CARBOCOL intends to develop directly. Not much is yet known about the southern part of El Cerrejon, but it could contain as much as or more than the entire line, which according to some geologists, runs from El Cerrejon to La Jagua. The northern section contains some 3 billion tons down to 300 meters, although a decision has been made to strip-mine down to only 200 meters, which seems to be the most economical procedure. In other words, as of now the two explored sections contain an estimated 2.6 billion tons of coal that can be profitably tapped. If this amount of coal were developed at a rate of 15 million tons a year, it would last 173 years. If the extraction pace were upped to 25 million a year, it would last 104 years. If we consider only the coal under contract with the foreign company, there is enough to last 106 years at 15 million tons a year or 64 years at 25 million tons a year.

Exploration and Development Contracts

A few years ago the government began accepting bids for the exploration and development of El Cerrejon, without specifying sections. The area's potential was unknown at the time, and the firms that wanted to get involved ran the risk of not finding enough coal for a major commercial development. Moreover, the potential entrepreneurs had to furnish their own venture capital. Invitations were extended to 17 firms, 5 of which took part. Intercor submitted the best bid, and the government signed a development contract with it.

The foreign company did not, of course, risk the entire 2.5 billion pesos that the exploration work cost, because according to geologists it kept on drilling only as long as it found enough coal.

Contract Terms

The contract is a partnership agreement. In other words, there is a single venture, but half of the output belongs to CARBOCOL (the Colombian Government) and the other half to the foreign investors.

If we assume that 20 million tons of coal will be produced a year, CARBOCOL will get a full 10 million, as will the foreign firm. Since a single joint venture is involved, however, costs are also equally shared, and thus the yield per unit of coal is less.

Hence, if we assume that 20 million tons will be produced over 23 years, Intercor will get 230 million tons under the contract, which is equivalent to 8.8 percent of the area's known exploitable reserves. If 25 million tons a year are produced, then the foreign firm would get 11 percent of the known reserves that can be strip-mined.

We should bear in mind that foreign corporation investment has acted as a catalyst for the enormous interest that has arisen in Colombia's coal resources, not only on the part of domestic firms but overseas companies as well. There would not be as much interest in them now if a world-renowned company like Exxon had not made its commitment.

Royalties

The foreign company will pay royalties of 15 percent at the pithead on its half of the output, Depending on sales prices and production volume, however, this could rise to 26 percent, which is quite high by international standards.

The following is the royalties table for the main exporting countries:

a) Australia: 1. New South Wales, $2.65 per ton; 2. Queensland, 5 percent plus $1.30 per ton
b) South Africa: no royalties
c) Canada: between 2 and 5 percent, according to the province
d) United States: Lands and mines are normally privately owned; no royalties

e) Germany: Coal mine operators do not pay royalties; they receive subsidies instead
f) Colombia: between 15 and 26 percent

The above list shows quite clearly that the terms hammered out by the Colombian Government are extraordinarily favorable with regard to royalties. There does not seem to be any coal mining operation in the world that pays as much royalties as the Colombian Government will secure under its contract with the foreign corporation.

Taxes

We are basically talking about income taxes. The aforementioned nations charge the following tax rates on net income:

South Africa, 52 percent
Australia, 52 percent
United States, 46 percent
Canada, 52 percent
Colombia, 52 percent

The above numbers show that taxes on net profits in Colombia are as high as in the world's main coal exporting countries.

What does a foreign company take home?

As we have seen in our economic analysis, in order to achieve a faster growth rate in income and, therefore, in living standard, foreign savings, that is to say, foreign investment must be available. A foreign business venture provides the host country with money from the following categories:

1. Raw materials purchased in the country
2. Wages
3. Interest paid domestically
4. Depreciation on domestic equipment
5. Royalties
6. Taxes and profit sharing
7. Profits that remain in the country, in other words, a quite sizable portion of the overall venture

The following are taken overseas:

1. Repatriated profits
2. Depreciation on foreign machinery
3. Wages paid overseas

This constitutes a quite small percentage of an industrial, mining or services venture.

The foreign company has estimated the following balance sheet breakdown for El Cerrejon:

Total sales: 100 percent
Operating expenses: 35 percent
Government revenue:
  Royalties: 6.1 percent
  Profit sharing: 3.1 percent
  Taxes: 12.4 percent
CARBOCOL profit: 32 percent
Subtotal: 89.1 percent
Intercor Profit: 10.9 percent
Total: 100 percent

We should keep in mind that operating expenses consist of wages, raw materials, interest, etc, almost all of which remains in the country in other words, practically all of the value added in Colombia, minus the depreciation on foreign machinery, imported raw materials and wages paid overseas, which come to a relatively low amount.

The 10.9 percent of the total value of the venture that the foreign company takes home is a normal yield on investment, especially since investment risks can run quite high.

If we apply these percentages to operating costs and profits and assume a 20 million ton a year output at $50 a ton, the current price, the following would remain in the country as value added:

Value of coal sales: $1 billion
Operating expenses: $350 million
Royalties: $61 million
Government share in profits: $31 million
Taxes: $124 million
CARBOCOL profits: $325 million
Subtotal: $891 million
Intercor profit: $109 million
Total: $1 billion

In other words, of total annual coal sales of $1 billion (assuming $50 a ton), some $850 million would remain in the country as value added to enhance the well-being of the populace. The foreign investor would receive a profit of $109 million, which does not seem excessive.

Summary of the Arguments for the Contract

1. Estimates are that there would be as many as 8,000 jobs during the construction stage and that about 4,000 workers would be employed during production, mainly in the Department of La Guajira, which is an economically depressed region of the country.

2. Strip-mining technology would be introduced, which could be used in developing similar mines in the country. Furthermore, although the technology is not that sophisticated, organizing such a large and complex venture requires very special maintenance and operational know-how, which we Colombians would be acquiring.

3. If we assume a $1 billion a year business, which seems to be on the low side, the government's share will be $541 million in the form of direct revenue for municipalities, CARBOCOL and the Federal Government, which would presumably be invested in social development ventures, either public works or social services.

4. A port would be built in Portete Bay that could handle other importing and exporting activities in the future, because channels would be cut in the bay and docks for other purposes could be constructed.

5. The roads that all Colombians could make use of, the railway that could be utilized under agreement and the arrival of more than one ship a day would give rise to major economic activity.

6. Balance of payments. Estimates are that 80 percent of the total value of the venture will return to the country in the form of dollars that would enter the official exchange market. In the event that $1 billion worth of coal were exported a year, no less than $800 million would accrue to Colombia from the venture.

7. It would be a private operation monitored by government agencies. This will preclude political meddling that could impair an operation as large and as costly as the one on tap.

8. A great many Colombians would be present in the area near the Venezuelan border, both in El Cerrejon and Portete Bay, which would be a major way of asserting Colombian sovereignty.

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PETROCHEMICALS INVESTMENT TO REACH 40 BILLION PESOS

Mexico City EL DIA in Spanish 8 Mar 81 p 5

[Text] Jorge Melendez Ocadiz, general director of Protexa Industrial, who delivered a lecture on the topic "Oil: Realities and Prospects," announced that the investments planned by private enterprise in the area related to the secondary petrochemical sector will amount to 40 billion pesos during the period 1979-85.

The official also stated that the claim could be made that the proven reserves of 60 billion barrels of crude are associated with exploration and drilling carried out with a certain amount of intensity on only 9.3 percent of the national territory.

The foregoing prompts consideration of the great oil potential which, to date, has been estimated at approximately 200 billion barrels. Melendez Ocadiz added that this is because discoveries are being conducted and made in the Reforma, Marina Campeche, Sabinas/Monclova and Chicontepec areas.

After noting that, year after year, crude production has been registering sizable increases, he remarked that the current Federal Government policy on hydrocarbon production is reflected in two supplementary directions.

The first consists of supplying the domestic market, which has traditionally grown at rates similar to those of the gross domestic product in its industrial sectors; in other words, at about 10 percent per year.

This means that, by 1982, the domestic consumption will be 1.42 billion. And the second direction is seeking hydrocarbon exports that will allow the country to accrue sufficient foreign exchange with which to promote the population's economic and social development, avoiding inflation and conversion into a mono-exporting nation insofar as possible.

Reserves

He recalled that, among the 10 countries with the largest supplies of hydrocarbons, in 1978 Mexico ranked sixth in total proven resources, eighth in crude reserves and seventh in gas reserves.

He indicated that, out of a total of 1.16 trillion barrels of reserves, Mexico accounts for 3.5 percent of the total, following countries such as the USSR, Saudi Arabia, Iran, Kuwait and the United States.

The PEMEX [Mexican Petroleum] official added that, as a result of the large investments, in 1979 the reserves increased to 40 billion barrels and, in September 1980, reached the record figure of 60 billion.

Melendez Ocadiz explained that this considerable increment in reserves is a result of a constant effort at exploration and drilling. During the past 10 years, 400 wells per year have been drilled, two thirds of which proved to be productive.

He recalled that the largest increase in reserves occurred during the past 3 years, caused by discoveries and development in the oil-producing areas of Chicontepec, Sabinas/Monclova, Marina/Campeche and Reforma.

Production

He remarked that, in 1938, the year in which the oil industry was nationalized, crude production amounted to 106,000 barrels per day, and that a compounded annual increment of 5 percent had been noted until 1970.

After that date, production was maintained at about 550,000 barrels. The official commented that this gives us an idea of the fact that the policy during those years was to concentrate the hydrocarbon activity on meeting the nation's energy needs.

At the present time, and with the scheduling of a production platform of 2.3 million barrels, the exportable supply will be 1.13 million. By 1982, with an authorized platform of 2.75 million barrels, sales abroad may amount to 1.33 million barrels per day.

Melendez Ocadiz stressed that these figures suggest foreign exchange receipts of $12 billion in 1980 and $16 billion by 1982.

Petrochemicals

He stated that Mexico's oil policy is one of preventing our conversion into suppliers of a non-renewable resource for other economies. He observed that, with the degree of substitution, an industrial and transportation infrastructure for hydrocarbons has been created that will make it possible to use this resource internally to benefit our own development.

He noted that the results of this action indicate that, in 1979, only 36 percent of the oil production was exported, and in 1980, only 47 percent, with the rest used to produce crude byproducts and primary petrochemical products.

Other points indicated are that, in 1938, for the primary distillation and fractionating of the natural resource there were facilities for processing 102,000 barrels per day; and by 1979, there was a capacity for 1.341 million barrels.

Between 1938 and 1971, the installed capacity increased at only a rate of 5 percent, owing to many technical problems. After 1972 and until 1976, it increased at a rate of 8.6 percent; and, from 1976 to 1979, it increased by 11.5 percent.

He repeated that this installed capacity ranks Mexico among the 12 leading countries in hydrocarbon refining; because, for a nation with oil resources, the necessity for developing a petrochemical industry is obvious, and Mexico is no exception.

TEXT OF DIAZ SERRANO'S REPORT TO JLP PUBLISHED

Mexico City EL DIA in Spanish 19 Mar 81 pp 8, 9

[Text] Work report submitted to Mr Jose Lopez Portillo, constitutional president of the United Mexican States, by engineer Jorge Diaz Serrano, general director of Mexican Petroleum; 18 March 1981, in Ciudad Madero, Tamaulipas.

Citizen Jose Lopez Portillo,
President of Mexico:

Dr Aristides Royo,
President of Panama;

Citizen Joaquin Gamboa Pascoe,
Chairman of the Standing Commission of the Congress of the Union;

Citizen Agustin Tellez Cruces,
President of the Supreme Court of Justice of the Nation;

Citizen Luis M. Farias,
Chairman of the Grand Commission of the Chamber of Deputies;

Citizen Emilio Martinez Manautou,
Constitutional Governor of the State of Tamaulipas;

Citizen Salvador Barragan Camacho,
Secretary General of the Petroleum Workers Union of the Mexican Republic;

Ladies and gentlemen:

Oil industry comrades:

Today marks 43 years since the nation, using its sovereignty, assumed direct, effective control over its oil resources.

The foreign companies operating on our territory had refused to abide by a judgment of the Supreme Court of Justice, and the Government of the Republic resorted to the expropriatory procedure. Thus, Mexico resolved an immediate problem of justice and established an historic precedent of deep significance in our time.

Mexico was the first country to nullify its colonial past, recover its natural resources, oppose the schemes of the big powers and initiate the opportunity for many new nations to rid themselves of hegemonic guardianship.

There is an illustrious national image that is being enhanced each day in our eyes. As world events rush on hastily, and the unsuitability of the international economic order becomes more obvious; as the community of nations seeks peace, while anxiety increases in the world owing to the foreseeable shortage of hydrocarbons; as all this occurs, that image becomes huge and assumes the features, not only of a man of genius in his time and circumstances, but also of a visionary and a forerunner of what was to come several decades later. That image is the one of the author of oil expropriation, the former president of Mexico, Gen Lazaro Cardenas.

On 18 March 1938, there was an end to one era and the beginning of another in the oil history of Mexico and the world. In this way, the producing countries acquired an awareness of the fact that it was possible to rid themselves of unjust exploitation, and they opened up new paths of liberty.

The Mexican oil industry has been based, historically, on three key events: in 1917, the affirmation of national ownership of hydrocarbons; expropriation, in 1938; and the amazing, vigorous projection instilled into it since December 1976 by President Jose Lopez Portillo.

This report contains the most significant figures on the status of the institution. The details on these figures are included in the Work Report for 1980, which has been distributed among you.

Exploration

Since the beginning of the regime, a new exploration policy has been put into effect, and both this activity and that of drilling rapidly became effective factors in the twofold increase: that of reserves and that of production.

New oil-producing provinces came into existence which, owing to their size, entailed a need for enormous resources if they were to be properly exploited.

In order to meet this difficult challenge, an exploration program was devised which many viewed with skepticism, because it exceeded the traditional scale of our activities. This program went into effect in 1977.

The challenge did not relate to financial resources alone, but also to human and technological resources. The expansion of Mexican Petroleum and its conversion into an oil industry of great scope required the purchase of modern technology, and the specialization of our technicians and workers. We can claim with pride that the training of Mexican technicians is on a par with that of the best in the world.

During the past decade, only three supergiant deposits were discovered in the entire world (and we give that description to those containing at least 5 billion recoverable barrels). All three were discovered in Mexico, by Mexican Petroleum.

Mexico's oil prospects are very promising, owing to the constant discovery of new fields, in Campeche Sound; the Mesozoic area of Chiapas-Tabasco; the Gulf of Sabinas, in Coahuila; and Paleocanal de Chicontepec, in Veracruz.

With medium term goals, exploratory work is under way in more provinces, such as Baja California and Chihuahua, and on the continental platform of the Gulf of California and the marine paltform of Mazatlan.

For the long term, we are working in Michoacan, Guerrero, Tlaxiaco (Oaxaca), Zongolica (Veracruz) and the neovolcanic axis. In addition, the preliminary exploratory work performed on the Central Mesa, the Valles platform (San Luis Potosi), Sonora and the Chiapas sierra suggests the possible presence of hydrocarbons.

Drilling

This year, PEMEX will have 223 drilling rigs, thereby becoming one of the leading drilling companies; and, moreover, it has the most modern advanced facilities for the control and safety of the operations.

During 1980, the exploratory drilling resulted in the discovery of 29 onshore fields and six offshore ones. Of the exploratory wells finished, 51 percent proved to be productive, an unprecedented percentage when compared with the world statistics relating to this type of activity.

Reserves

The reserves, as a preeminent nerve center of the entire oil industry, have followed an upward curve in Mexico. Their steady growth is a remarkable event in the world.

In fact, during the last 4 years of the 1970's, the proven reserves on the globe remained virtually stationary. Only Mexico was able to register an increment, which is not only considerable, but spectacular as well.

On 1 September 1980, the president informed the Congress of the Union that the proven reserves amounted to 60 billion barrels.

I am pleased to announce that the country's total hydrocarbon reserves, as of this date, are 67.83 billion barrels. With this volume, Mexico occupies fifth place in the world, and the ratio of reserves to production becomes 60 years.

Between the end of 1976 and the present, the reserves at Mexico's disposal to promote its development increased nearly 11 times. The estimated probable reserves total 45 billion barrels, and the potential ones, including both, total 250 billion.

The foregoing represents not only security for all of us and for future generations, but also an historic opportunity of which we must take advantage.

The foresight with which the chief executive has dealt with the matter of oil reserves from the outset is obvious.

Development

Thus far in the 6-year period national crude production has tripled. Yesterday, it amounted to 2.55 million barrels.

During 1981, we shall attain the volume of 2.75 million barrels per day, set by the president a year ago in Guadalajara, so that the oil industry may fulfill the part of the Total Development Plan that is incumbent on it.

In 1976, we held 15th place in the world with respect to production; and the current volume ranks us in fourth place, behind only the Soviet Union, Saudi Arabia and the United States.

During 1980, gas production amounted to 3.548 billion cubic feet per day, 80 percent more than in November 1976.

The utilization of gas has been one of the areas on which this administration has concentrated the greatest interest. Between December 1976 and February 1981, compression equipment with a total of 494,500 horsepower, a capacity 41 percent greater than that installed during the 30 previous years, was demonstrated. As a result, the use of gas from the onshore wells now exceeds 98 percent.

In the sea, the development of which is recent, at the present time 550 million cubic feet per day are being burned; however, during the next few months, with the installation of seven compression platforms and a 36-inch gas pipeline, an efficiency equal to that onshore will be achieved. When this goal is reached, the use of gas in Mexico will be comparable to that of the two most advanced countries in this category: the United States and the Soviet Union.

A great impetus is also being given to secondary recovery, through the injection of water into the deposits, and the current production of oil attributable to this method totals 138,000 barrels per day.

Gulf of Campeche

For the past 2 and a half years, in the sea about 80 kilometers off the coast of Campeche, our country has been carrying out a genuine epic feat of modern times; an industrial epic feat wherein the skill and determination of the technicians and workers are coping with the difficulties inherent in a highly specialized engineering and with the forces of the sea and the winds.

Mexican Petroleum has conducted exploration on the continental platform over an area of about 50,000 square kilometers, with detail work over 8,000 kilometers, opposite the state of Campeche. The development activity is being carried out on 700 square kilometers, where our platforms and other installations are being constructed.

Twenty months ago, not a single barrel of oil was being produced in the Gulf of Campeche. Today, 1.308 million barrels per day are being produced, a volume exceeding that from the continental platform of Texas and Louisiana which, for many years, was the most prominent in this respect.

Generally speaking, the transportation of the crude and gas, once they have been extracted from the marine subsoil, represents a complicated operation; and hence it has been necessary to construct a large collection system which interconnects 40 platforms and joins the entire group with solid ground through a 673-kilometer network comprised of collection pipes the diameter of which varies from 8 to 36 inches.

As production increased, the onshore facilities became inadequate. Then a more speedy solution to the shipping operations was considered.

The tankers are now loaded in the very center of the Campeche oil-producing area. A monobuoy was placed in Cayo de Arcas, and there was moored to it a captive vessel with a storage and treatment capacity of 1 million barrels. The crude is pumped from the captive vessel to the tankers on which it is exported.

Approximately 5,000 individuals are working on different shifts and varied tasks. In fact, what has been built (and is constantly growing) is a small town in the middle of the ocean.

Campeche Sound is an image of modern Mexico, owing to its physical appearance and to the moral, intellectual and political energy that it represents. This marine development is unprecedented in the oil history of the world. The speed and precision, as well as the magnitude of the work, exceed what has been achieved in any other country.

Refining

In 1980, the processing of crude and natural gas liquids averaged 1.149 million barrels per day, 56 percent more than in 1976.

The production of heavier crudes is increasing in the world. In Mexico, the phenomenon has occurred with regard to the Maya crude in the Gulf of Campeche, necessitating an improvement in the refining with more expensive and more complicated processes. We have accomplished this to such an extent that there is an interest on the part of the big oil companies in learning about these processes.

The increase in crude oil prices has prompted most of the countries to adopt rationalized measures for its use; and, therefore, among other things, it has proven necessary to better the yield from a barrel of crude, that is, to increase the accrual of lighter distillates, such as gasoline and diesel.

In our country, the refining capacity increased at an average annual rate of 13 percent during the past 4 years, and the capacity to convert residuals into distillates increased at even higher rates; something which affords us a prominent position in this regard.

Mexico, with an installed capacity for refining and fractionating natural gasoline amounting to 1.476 million barrels per day occupies 10th place in the world; and PEMEX holds fifth place as a refining company which uses its own engineering and technology for its development.

Gentlemen, we can state with pride that Mexican oil refining is on a par with that of the United States, and is of higher quality than the European and Japanese.

Natural Gas Processing

In 1980, 2.94 billion cubic feet of natural gas were processed daily, 67 percent more than in 1976; from which 193,000 barrels of ethane, liquid gas and gasoline were extracted each day. In this operation, Mexico ranked fifth in the world.

Last December, the No 6 cryogenic plant, designed by the Mexican Petroleum Institute, with a capacity of 500 million cubic feet per day, to recover 82,000 barrels per day of ethane and heavier hydrocarbons, began its operations in Cactus, Chiapas. The engineering on this unit, which ranks second in operating capacity, is 100 percent Mexican.

The Cactus Complex is the center that recovers the most liquids from gas in the world, and the operation in our country ranks among the most efficient. At the present time, we hold third place internationally, because the recovered volume amounts to 250,000 barrels per day currently.

Petrochemicals

In 1980, the manufacture of basic petrochemical products totaled 7.22 million tons, 83 percent more than in 1976.

In 1980, six new petrochemical plants started their operations, thereby increasing the number of units in service to 81, 21 more than in 1976.

The president has just opened the expansion on the Cosoleacaque petrochemical complex, with the sixth and seventh ammonia plants, each having a capacity of 1,500 tons per day, to comprise the largest ammonia production center which, according to our information, is more than double the size of the one following it in rank.

The La Cangrejera petrochemical complex, which is now beginning its operations, means the incorporation of 3.5 million tons per year of capacity into our basic petrochemicals production system, and it is the largest that has been built as a unified project.

During the course of 1981, the plants for ethylene, aromatics, paraxylenes, styrene and polyethylene of low density, among others, will go into service consecutively.

In view of the great impetus in our economy, 36 additional projects have been devised, to be located in three new petrochemical complexes, one of which will be located in the industrial port of Laguna del Ostion, northwest of the port of Coatzacoalcos, Veracruz; another in the port of Altamira, Tamaulipas; and the third in the port of Dos Bocas, Tabasco.

Construction has begun on the Morelos petrochemical complex, in the municipality of Allende, Veracruz, where the 8 plants originally proposed have been increased to 14. Furthermore, the plants for tetramerous acrylonitrile of propylene and dodecylbenzene, which comprise the expansion of the San Martin Texmelucan petrochemical complex in Puebla, have also been started.

At the most rapid rate possible, and so that they may begin their production during the first half of 1981, construction is under way on the plants for the No 3 chlorinated byproducts system of the Pajaritos petrochemical complex, which will consist of a plant to produce 200,000 tons per year of vinyl chloride and another to produce 32,000 tons of ethylene perchloride and carbon tetrachloride.

The abundent supply of basic petrochemicals has been the greatest incentive for the vigorous growth of the secondary petrochemicals industry, an important sector for the generation of new development poles and for the creation of new sources of employment.

Internal Sales

Last year, the sales made to supply the domestic market amounted to 95.4 billion pesos. Of that number, 81 percent related to petroleum products and the rest to gas and petrochemicals.

It should be pointed out that, during the past 4 years, internal sales of petroleum products increased 38 percent in volume. Prominent in this respect were the gasolines, the sales of which in 1980 amounted to 314,000 barrels per day; representing a 53 percent increase in comparison with the amount sold in 1976.

Mexican Petroleum began selling natural gas to industrial customers 33 years ago. During the past 4 years we have managed to almost double both production and the use of gas in the country.

Through the construction of the 48-inch national main pipeline which connected the southern system with that of the north, and became integrated into the national gas system, it will be possible to carry this energy to Merida, on the Yucatan Peninsula on the one hand, and to Ciudad Juarez, at the northern border, on the other. Projects are also under way to take it to Lazaro Cardenas-Las Truchas, and construction has started on another 48-inch gas pipeline to double the volumes capable of being utilized on the plateau.

Last year, for the first time, the consumption of natural gas, a clean fuel, exceeded that of gasoline, fuel oil and coal. We are demonstrating our ability to utilize it internally. It is a strong support for Mexico's industrial and energy development, and during the next few years its importance will increase further still.

During the period 1976-80, the value of sales of petrochemical products rose 200 percent. Those products, which need not be purchased on the international market at prices higher than those on the domestic market, represent a direct stimulus to the secondary petrochemical industry, which is gauranteed the ability to procure them at prices that are not subject to speculation.

In this way, we are encouraging the country's industrialization and making the final products reach the Mexican consumer at low prices, enabling them to be competitive abroad.

During a time such as ours, when the scarcity and shortage of energy is curtailing the growth of many countries, we in Mexico have hydrocarbons to back the process of

structural transformation of the economy. Up until 1973, the industrialized world achieved its development through cheap energy; and it is legitimate to think that, under our present circumstances, we can and should achieve the same thing, being scrupulously careful about preventing the proportion of values from upsetting the harmony of all the production factors.

Foreign Trade

The energy program determines the volumes of oil production and the exportable surpluses, in accordance with our potential for development. The exporting has been done on the basis of the commercial strategy of diversifying markets.

In 1980, the trade balance for petroleum and petrochemical products was favorable by nearly 222 billion pesos; which represents a 180 percent increase over the also favorable balance the previous year.

The income derived from exporting increased from 7 billion pesos in 1976 to almost 240 billion in 1980.

The average volume of crude oil exported increased to 827,750 barrels per day; which is equivalent to a 779 percent rise over 1976.

World crude prices have been climbing; however, there are certain circumstances which could augur a changing tendency in the future. In view of the insecurity of the international market, the industrialized countries have enacted restrictive measures for hydrocarbon consumption which may, in 1980, have caused, if not a drop in prices, at least a stagnation; which did not occur because of a completely fortuitous incident, namely, the conflict in the Middle East.

It should be stressed that, on 15 January 1980, exporting of natural gas began, averaging 281 million cubic feet per day during the year. The exporting started at a price of $3.65 per thousand cubic feet, and the price was later raised to $4.47; but it has now reached $4.8246. The income in this category was 10.3 billion pesos.

Even though, among the income accrued from exporting, that stemming from crude oil still predominates, its contribution to the total income has declined, because of the increase in sales of other products, such as fuel oil, liquid gas, natural gas, ammonia and methanol, with a higher added value, which allows for greater diversification in the structure of our exports. Petrochemical products are taking the place of the manufactured products which the country exports.

Crude exports were distributed among 11 countries: Canada, the United States, Costa Rica, El Salvador, Nicaragua, Brazil, Spain, France, Yugoslavia, Japan and Israel.

Works Projects and Construction

There is an enormous difference between the current situation and the one experienced by Mexican Petroleum in September 1976, when all the works necessary for the development of industry were stopped.

In December 1976, when the present administration received instructions to increase its activities, this was not easy to accomplish. To stop a giant is relatively

simple, but to put it in action again represents very great difficulties, on the other hand; because it is necessary to arrange the constructive mechanism and the financial programs again.

Thanks to the foresight of the president of the republic, at the end of these 4 years Mexican Petroleum is marked, among other things, by its huge construction capacity.

Our construction tasks are applied to the works begun previously, which are begun and concluded during the current 6-year period, as well as others starting this year and to be completed in other future years. The nation's progress must be based on a rational continuity.

At the end of 1976, the construction industry in the service of PEMEX had a minimum of 20,000 workers, and it currently employs over 100,000, owing to the fact that our plans and action have given it a significant impetus. From 12 Mexican engineering firms whose services were being used in 1976, we have increased the number to 55.

A total of 93.5 percent of the expenditure for engineering services was made to Mexican companies; which confirms our self-sufficiency and proves that the technical level of these services has been improved.

The execution of the project engineering has been decentralized in seven work centers in which the most important works are being carried out.

During 1980, work was done on the construction of 1,368 projects, the estimated cost of which, upon their conclusion, will be 352.1 billion pesos. Of these works, 265 were finished, with a value of 57.6 billion pesos.

A total of 4,174 kilometers of pipelines with different diameters were constructed throughout the republic, with their corresponding pumping and compression stations. Prominent because of their importance are the lines that insure the gas supply to the industries in various localities including, among others, Campeche, Merida, Monterrey, Torreon, Chihuahua, Ciudad Juarez, Tula, Salamanca and Guadalajara. Moreover, several hospital facilities were completed, and the main tower of the Administrative Center in the Federal District was started.

During the period 1977-80, on the average, we installed a high capacity compressor every 6 days, we laid 5,200 meters of piping per day, we finished and put into operation one industrial plant every 14 days, we installed a platform offshore 19 days, and we installed one tank every 3 days; which is equivalent to increasing the storage capacity by 20,750 barrels daily.

Furthermore, one dwelling for employees has been built every 4 days, and one for workers every 8 hours.

Finances

In 1980, the agency's own income was 362 billion pesos, more than seven times larger than in 1976. The current expenditures, for their part, rose to 140.6 billion pesos, more than five times the total for 1976.

Current savings, before taxes,amounted to 221 billion pesos in 1980, or 12 times more than in 1976.

The agency's capacity for financing its growth depends on its internal savings.

In 1976, 38 percent of the internal savings was allocated to pay taxes; and in 1980, that proportion increased to 73 percent. During the latter year, the oil industry paid 162 billion pesos in taxes, 20 times more than in 1976; in 1981, it is estimated that the tax payment will exceed 300 billion pesos.

In 1980, the volume of investments was 121.8 billion pesos, five times more than the amount paid in 1976.

As of 31 December 1980, the institution's total liabilities were 369 billion pesos. Of that figure, 193.4 billion relate to the short and long term foreign debt.

While the debt has increased fivefold from 1976 to 1980, the volume of proven reserves has increased nearly 11 times; and if we consider the price of oil, the value of those reserves has risen more than 30 times.

Insofar as assets are concerned, from 1976 to 1980 they increased by 653 billion pesos; while Mexican Petroleum's total liabilities increased by 298 billion.

It was imperative for PEMEX to grow if it wanted to fulfill the goals set for the industry in the area of contributing to an increment in the gross domestic product, to the strengthening of the balance of payments, to the generation of jobs and to the reactivation of sectors and regions of the economy. By increasing reserves, the agency recovered its credit capacity and used it to intensify its action.

The PEMEX liabilities are less than the institution's positive figures. At the present time, if we were to appropriate the value of our exports, at the rate of 1.5 million barrels per day at current prices, to liquidate the foreign debt, we would pay it in 150 days....

Administration

The modern, efficient nature of the agency, which is integrated from exploration to distribution, requires appropriate indicators to objectively evaluate our real increases in productivity. The comparison with other dissimilar business firms is simplistic, if not deceptive.

In 1976, the production per employed person was 14.9 barrels per worker; and in 1980 it was 26.3, representing a 76 percent rise in productivity.

At the present time, crude production has tripled in comparison with that of 1976; while the personnel have increased only 5.06 percent, as an annual average.

In 1976, we had 72,000 barrels of proven reserves per employed worker, and in 1980 the figure rose to 560,000 barrels; which means that this indicator of productivity rose 6.8 times.

The operating expenses, which represented 54 percent of the total income per sale in 1976, represented 31 percent in 1980.

Finally, to give a complete picture of our efficiency, we must reiterate the fact that our costs are low on the international level. Cost engineering is a discipline which has assumed great importance in our institution, because we are at the height of expansion, and because the trend in all areas consists of eliminating improvisation and subjecting action to clearcut, completely studied projects.

In order to reinforce the action emanating from administrative reform, and in accordance with the intentions of the executive branch to apply to the parastate sector the principle of joint responsibility in public spending, Mexican Petroleum is implementing the 1981-82 Program of Institutional Action.

Mexican Petroleum is not seeking merely gratifying results in its specific activity, but is also aiming at complete care for its workers, for whose health and that of their families it has shown the greatest concern.

The Committee for Investigation of Occupational Hazards was formed, an entity which studies the causes of accidents, so as to enact measures that will help reduce their frequency and seriousness.

During 1980, the Auxiliary Hospital in Villahermosa, Tabasco, and the Peripheral Medical Clinic in Tlaquepaque, in the capital of Jalisco, were put into operation. There are in operation a total of 235 medical units, which provide service for the 650,000 beneficiaries of the institution.

We shall never express sufficient admiration for a labor union which, from the very time when General Cardenas signed his historic decree, added the obligation to give training in the most complex techniques, which had been denied our country in the foreign companies.

The oil industry is dangerous by nature, and to collaborate in it requires dedication and commitment, but also an enthusiastic selflessness, which is present in the daily work that the PEMEX workers are performing. Hence, we convey our recognition and gratitude to them.

The Petroleum Workers Union of the Mexican Republic has managed, with bravery and efficacy, to protect the rights of its members; and, similarly, it has managed to understand the higher goals of the nation, so as to establish a delicate, stable balance between the two.

Our revisions of the collective work contract, which is for many reasons an exemplary contract, have always been made with a spirit of mutual understanding; although neither of the parties, as is natural and a good factor, has given up even for a moment the defense of the specific interests with which it is charged. Mexican Petroleum has as a standard absolute respect for labor union autonomy.

Training and Academic Self-Improvement

The training has a preeminently humanistic quality and, moreover, is reflected directly in productivity, so that it must be given priority concern. For this purpose, 8,000 courses have been given to 130,000 students, through the IMP [Mexican Petroleum Institute].

Mexican Petroleum Institute

The improvement of the academic standing has been possible as a result of the signing of special agreements with the leading higher education centers, such as the National Polytechnical Institute and the National Autonomous University of Mexico, as well as many educational centers in the states.

External Effects

With its activity, Mexican Petroleum has instigated the appearance of development poles, has contributed to the creation of jobs and has stimulated other industries, such as the iron and steel and the metal-working industries.

An important part of the executive branch's policy of promotion and stimulation has consisted of the transfer of funds generated by oil to other areas of the economy, by means of differentiated prices, subsidies, the payment of taxes and other devices. Chicontepec is an example of the transfer of funds.

This region in northern Veracruz has given rise to one of the most important regional development projects of the present government. It is a typically interdisciplinary project, which deals with oil development, but also, in a coordinated fashion, with aspects of such dimensions as an impetus to agricultural-livestock activities, the formation of a system of highways and railroads, the creation of an irrigation infrastructure, suitable facilities for the health care of the inhabitants, those required for their education, the creation of intermediate and capital goods industries, and the rationalization of human habitats.

In Chicontepec, through this project, 3.5 million Mexicans will lead a more productive and more dignified life. Like all action of this type, it will require for its implementation the participation of various departments of the federal executive branch, the governments of the states of Veracruz, Tamaulipas and Hidalgo, and the pertinent municipal authorities.

The oil projects generate needs for many items, materials and equipment; and these needs, upon being channeled to the nation's industrial plant, stimulate its growth and foster the generation of jobs, in addition to increasing the national revenue.

During the period 1976-80, Mexican Petroleum arranged directly with the capital goods industry to invest 300 billion pesos in the country; something which brought about the generation of 33,000 direct jobs. The impetus to the cement, iron and steel and other industries of a strategic nature is also highly important.

In 1977, there began a phase of growth wherein the president of the republic took steps first to surmount the obstacles, next to consolidate our positions, and later to undertake accelerated growth.

By 1978, the surplus revenue from oil began to serve as a strong support for internal growth and for the reinforcement of our international personality.

We do not believe in dwelling upon history. Hence, we do not wish to think of what would have happened to our country without the vigorous impetus given to the area of energy by President Lopez Portillo.

Gentlemen, oil has put us in a situation marked by extensive freedom for maneuvering. It has helped us to be able to grow in a world in a state of recession, at steady rates exceeding those recorded in our best years.

Backing for the Mexican Food System

We in the oil industry have directed our efforts toward backing the Mexican Food System: On the one hand, the union is making joint investments in the agricultural-livestock area; and, on the other, the agency has started investments for the production, storage and distribution of anhydrous ammonia, the base of support for fertilization in stormy districts, is building a center for sales of that product near the agricultural settlements and has several ammonia pipelines in progress, among which the one extending from Ciudad Madero to San Fernando, Tamaulipas, is about to be finished. In addition, PEMEX is providing increasing supplies of raw material to the fertilizer producing plants.

Regional Impact

During the present administration, the oil-producing states have received slightly over 30 billion pesos by way of tax-sharing, in addition to cooperation of various kinds in several projects of use to the community. This is a major contribution to the economic strengthening of these states.

Mexican Petroleum has created specialized units which are studying the problems of the oil impact on farming or urban communities wherein our industry has become established. In this way, the integration process is being speeded and a system of mutual input is being established. If PEMEX causes changes, it agrees to change too, in accordance with each location at which it arrives.

Insofar as the upsets have been concerned, the creation of joint committees in Tabasco and Chiapas to study and pass judgment on the pertinent claims has been a highly favorable factor. These committees consist of representatives from the state secretariats who have authority in these matters, from the local governments, from the parties concerned and from Mexican Petroleum.

Thus far in this administration, Mexican Petroleum has spent the total sum of 1.718 million pesos on indemnification.

We have the constant intention of reconciling the collective welfare with the interests of private citizens; and, provided the claims of the latter are in order and formulated through legal channels, we shall attend to them with great pleasure.

Environmental Protection

In Mexico there are laws against environmental pollution, and we are all aware that there are also moral imperatives which force us to take precautions of all kinds to prevent this damage, and to correct it when it is unavoidable.

For years, Mexican Petroleum has had contingency mechanisms and plans to attack any spillage of hydrocarbons in a timely manner.

PEMEX's cooperation with the government entities charged with overseeing the improvement of the environment all over the country has always been beneficial. In this regard, note should be taken of the agreement signed in October 1980 with the Secretariat of Health and Assistance to increase and speed up our regulations and procedures for protecting the ecology.

With the Secretariat of Navy and the Department of Fishing, the coordinated program of ecological studies of Campeche Sound was arranged, which is intended to establish the real scope and magnitude of the effect caused by our work in that part of the continental platform on the marine environment, especially on the fishing activities.

Ships, Pipelines and Ports

The execution of the "ships, pipelines and ports" project was begun, whereby it is intended to establish in PEMEX a new transportation system, based mainly on maritime and river routes, instead of the traditional land ones, and also based on optimal use of the pipeline system. By the end of 1980, 793,000 tons of cargo had been transferred from land transportation to maritime and river transportation; thereby freeing for other uses a total of 1,096 railroad cars and 1,577 tractor trucks.

From a statistical standpoint, one can observe that the project is being carried out with the proposed goals of uncrowding the land transportation routes. Previously, 78 percent of PEMEX's cargo was moved by rail and automotive carrier, and 22 percent over maritime routes. Today, the land shipment has declined to 59 percent, and the maritime has increased to 41 percent. In this way, Mexican Petroleum is continuing its cooperation in the solution to the national transportation problem.

International Realm

The proposal for the world energy plan, made by President Lopez Portillo to the United Nations, is the guideline for Mexican Petroleum's international action.

Based upon that proposal, we consider the energy problem an issue that is neither regional nor hemispheric, but rather worldwide. The problems associated with energy, including hydrocarbons, concern and are binding on all nations alike, and everyone can and should cooperate, without exception, in solving them.

At present, within this context, which is the only suitable one, there are tasks which, by their very nature, should be undertaken through multinational cooperation, although with absolute respect for the sovereignty of the states intervening therein. One of these tasks is exploration, because there must be available, universally, a tabulation, the most extensive possible, of the energy that nature can supply; and, in the petroleum section, an increasingly more accurate idea of the deposits capable of being developed, not only now but in the future.

During his recent trip to Brazil, the president of Mexico proposed oil exploration of a continental nature. We realize that the path is a difficult one. In fact, there is a need for technical and financial cooperation from the countries able to provide it; because good will is essential for coping with endeavors of this magnitude. The proposal has been made and the arguments which lend it complete validity have been voiced. The world will not be able to resolve the often critical issues surrounding hydrocarbons unless there is a deepseated change in concepts and attitudes.

According to the world energy plan, this change should be in the direction of replacing egotism with solidarity, isolation with interdependence and desires to control with a proclivity toward harmony. The rationalization of the use of energy acquires a new slant when the developing countries are involved, because it is not right to treat those who are unequal alike.

On the basis of these notions, Mexico has concluded agreements for technical cooperation with Cuba, Costa Rica, Panama and Nicaragua. We have exceeded the regional area in this regard, because talks have also been held with far-off countries, such as China and India, to explore their continental platforms.

We observe with interest the rationalization of oil transportation on an international scale, in which both socialist and capitalist countries can participate; and, with regard to this matter, we deem it intelligent to publicize a modern logic, which is more consistent with the legitimate interests of the various countries.

The Participation in PETRONOR [Northern Petroleum Refinery, Inc.]

Mexican Petroleum purchased 34 percent of the shares of the PETRONOR refining company, which has its installations in the Spanish city of Bilbao.

I must inform you that the PETRONOR refinery has a capacity of 240,000 barrels per day, with modern port facilities; and it owns four tankers with a total of 1 million deadweight tons.

Mexican Petroleum is of the opinion that the arrangement with PETRONOR will help to lend stability and strength to its presence in Europe, and will enable us to supply distant markets through the refining of our crude, as well as to store and distribute crude and products under the best possible conditions, in accordance with the level of international exchange.

Agreement of San Jose, Costa Rica

Mexican Petroleum has implemented the commitment assumed by Mexico with the signing of the Agreement of San Jose, Costa Rica, together with Venezuela, regarding the preferential treatment, without cutting prices, that must be granted in the sales of hydrocarbons to the Central American and Caribbean nations.

In this way, Mexico is maintaining and reaffirming its sovereignty with respect to the destination assigned to its export products, and is abiding by the basic principles cited by the president of the republic at the United Nations calling for cooperation in the establishment of a new, more just and solidary international order.

Ladies and gentlemen:

The foregoing information in this report attests to a fact that we must mention with pride.

The future in store for us is sound, because our expectations are based on remarkably favorable circumstances: We have sufficient hydrocarbons for the next 60 years, according to the proven reserves, and even for 100 years, contingent on the probable

ones. We have a legal system that has set up the nation as the only, exclusive owner of these resources, and we have sufficient technology with which to develop them. We also have the policy intent, materialized in plans and programs, to use the products of petroleum for the genuine development of the country; that is, for the prosperity, justice and liberty that comprise our national design.

At the beginning of the regime, when the reserves had started their upward curve, owing to the impetus given to exploration by President Lopez Portillo, we received offers from large international companies that could provide us with cooperation in the development of our fields. These firms placed information and resources at our disposal, and several countries expressed a willingness to supply us with assistance of a technological nature.

Without judging the good or bad faith of these offers, we rejected them steadfastly, over and over again, as we would do in the future if they were to be repeated.

The Mexican oil industry is nationalist by its very nature, its origins and the stipulations in our laws. Its nationalism lies in the Constitution of the Republic, and in the act of expropriation. No one can renounce it, because doing so would distort the faultless course of our contemporary history.

At the beginning of this phase in the existence of Mexican Petroleum, only 22 days after taking office, President Lopez Portillo authorized our program.

Despite its dimensions, this program was marked by its good sense and its realistic aspect. This was acknowledged by the experts of the oil world, although it remained to be seen whether our capacity for achievement was on a par with the notions that we upheld.

Today, the oil industry is one of the strongest backers of our economy, and the funds that it provides us have given us new ideas concerning the handling of those very funds, ideas which are now implemented in the energy program.

In progressing with the execution of its programs, the country had imposed its will on the issue of energy which, at first, owing to its magnitude and complexity, might have seemed impossible for us to resolve. Just as we have done on this occasion, we Mexicans shall continue to surmount obstacles and to solve the most difficult problems by dint of work and intelligence. This is what many, even today, refuse to believe.

We have done away with the inertia of other times. We have been daring, without exceeding the bounds of what is reasonable. The oil industry will always be subject to careful supervision, that will take into account its effects on the economy, and particularly on the cost of living.

Mr President, oil expropriation is 43 years old today, and this anniversary suffices for our gathering here joyously around you.

But there is yet another reason for rejoicing: the sinister legend that burdened our institution since 1938 has finally been destroyed.

This legend, similar to the one that attempted to cloud illustrious historic events at another time, also had, in the case of Mexican Petroleum, the intention of changing the unquestionable assets of expropriation in the eyes of the nation and of those abroad.

It originated in the resentfulness of those who had to give up the former arbitrary and irrational exploitation, and leave the site to the authority of the law, to the interests of the Mexican nation and to the power of our sovereignty. That legend fostered the reactionary position of those who adhered to the old custom of not believing in the great feats of our people, and of seeking ulterior motives in the most sincere and lofty actions.

All this machination has finally failed, because there is no legend that can withstand the force of the accomplishments of an industry which now ranks among the first on the world horizon.

To confirm this, let us specify what has already been said:

We are the country which discovered the most oil and gas during the 1970's;

We rank fifth insofar as proven reserves are concerned;

We rank fourth in production;

Campeche Sound is unprecedented for the magnitude, speed and precision of its development;

Cactus is the natural gas treatment center that recovers the most liquids in the world;

Cosoleacaque is the largest ammonia production center on the globe;

Cangrejera, whose operations have now begun, is the largest petrochemical complex ever constructed in the world as a unified project;

All this has occurred with production costs that are commensurate with the world rates.

We are repetitive in the comparisons, because their results will destroy any vestige of the sinister legend.

With this report, I fulfill an obligation that custom has dictated, but also a duty based on justice for the three generations of oil men who managed to surmount everything, including slander, and built for the country the powerful industry that we observe today.

Mr President of the Republic:

You are the originator of the political confidence of Mexicans, of the oil boom and of the revival of the nation's economy.

There are enormous differences between the Mexico of late 1976 and the Mexico of today. The former was a country filled with anxiety; the latter is a nation sure of its destiny.

On 1 December 1976, Mexico eliminated the anxiety. Neither those yearning for power nor the conveyors of irresponsible demagogy will upset a people who have forgotten them.

In your inaugural address, you made these comments: "I ask Mexicans, and everyone, to believe in my good faith. I shall have to prove my ability and my reasonableness by my service. In order to do so, I need time. Grant it to me."

Until 30 November 1982, Jose Lopez Portillo will have, in its entirety, the power that we Mexicans have given him. And we state now, with the greatest forcefulness, that the services which he has rendered to the nation not only attest to his good faith, his ability and his skill, but also insure him a preponderant place in history as a remarkable statesman. Otherwise, no one could explain present-day Mexico, with all that it is, and with all that it will come to be.

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VENEZUELAN MINISTER'S VISIT TO ARGENTINA LINKED TO EL SALVADOR

Buenos Aires CONVICCION in Spanish 17 Feb 81 p 7

[Article by Martin Olivera]

[Text] On the eve of a change in government, it is unusual for a country to be visited by a high-ranking representative of another state. Therefore, with the announcement of the arrival today in Buenos Aires of Jose Zambrano, foreign minister of Venezuela, it is inevitable that we think about "urgent political purposes."

It is clear that in the case of Argentina a change in direction is not involved but rather a change in men within the same context, the National Reorganization Process; however, it is also not the same to have talks with Foreign Minister Pastor as it is to wait until 29 March and do so with his successor.

To understand, then, what reasons have brought Zambrano to Argentina now, we must analyze the position of the Caracas government internationally.

Since the accession of Luis Herrera Campins to the presidency of Venezuela, the only two-ocean country on the continent has resumed, perhaps with greater force than ever, the continental leadership of Christian Democracy, although possibly tinged by a populism favored by the Carter government.

But Carter was pushed out of office by a flood of republican votes, and populism ceased to be a good image for Washington. Simultaneously, the situation in Central America and the Caribbean, especially in El Salvador, began to evolve in such a way that it generated a reformulation--a subtle turn toward the center-right--of Caracas diplomacy. In that sector, Christian Democracy is the key.

The Christian Democratic Organization of the Americas (ODCA) has its headquarters in Caracas, and its secretary general is Aristides Calvani, former foreign minister under Rafael Caldera and legendary leader of Christian Democracy in Venezuela. Now then, the president of the ODCA is Napoleon Duarte, who is also president of the Salvadoran Government Junta. Ergo, Venezuela is betting upon centrism in El Salvador against the opposition of the Marxist guerrilla sector and the extreme right of certain military sectors.

This relationship within the Salvadoran context has served to increase the tension in the deteriorated relations with Havana and Managua--yesterday there was a harsh statement from the Christian Democratic Party against Sandinism--and has placed

its stamp on the dialog with the Mexican authorities, which are closer to Social Democracy, represented in Venezuela by former President Carlos Andres Perez, and therefore, more apt to support the guerrilla cause in El Salvador.

Faced by this situation, Venezuela has decided to move quickly: traditionally, in spite of its geographic location, Caracas has always looked more toward Central America than toward South America--intending in the former sector to play the role of "big brother" which Brazil is attempting to assume in South America--and does not now want to run the risk of losing this role because of a polarization which will leave it sidelined.

With the negotiating power conferred upon it by oil and by its membership in OPEC; with the advantage of having skillfully invested in Central America; and with the recent weakening of the Andean Pact--the military coup in Bolivia and the current Peruvian-Ecuadorean conflict--Caracas is now seeking a rapprochement with Brazil and Argentina through the Amazon Pact with one and bilateral relations with the other in order to subsequently seek, with a more solid international front in which Canada might be included, the reciprocal support of Mexico, the other keystone of Central America.

And what Zambrano has now come to seek in Argentina is nothing more than equilibrium in El Salvador, where the result of the crisis could decisively influence the future of the region.

Theoretically, there are three groups fighting one another: a. the Marxist guerrilla group; b. the Government Junta, which has decided to put an end to subversion but with a reformist political plan oriented toward social decompression; and c. the military sectors of the extreme right which want to wipe out subversion and replace it with a hard-fisted regime.

Group a is supported by Cuba, Nicaragua and Mexico; group c may be supported by the toughest hardliners of the Reagan government; Venezuela is betting on the group in the middle; i.e., it is betting on democracy in Central America. It is betting on providing leadership in the area.

There is no doubt that Argentina will support the fight against subversion in El Salvador; however, it remains to be seen whether Venezuela gets support for the present junta.

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VENEZUELA SEEKS LATIN AMERICAN ALLIES, SAYS COLUMNIST

Buenos Aires CONVICCION in Spanish 19 Feb 81 p 12

[Article by Martin Olivera]

[Text] If one looks at the American continent--excluding the United States--as three subcontinents, five countries are to be found as the pillars of that continent:

In South America: Argentina and Brazil;

In North America: Canada; and

In Central America, Mexico and Venezuela which, in spite of finding itself geographically in the south, "looks" toward the Caribbean.

Significantly, Jose Zambrano, the foreign minister of Venezuela, arrived in Buenos Aires yesterday within the framework of a trip which has already taken him to Brasilia and which shortly will take him to Canada and Mexico. What is more, denial or not with respect to the presumed interest in firming up an axis, it is evident that the government of Herrera Campins is seeking a new dialog with its continental colleagues.

The question is why now, both from a broad interpretation of the word and from a narrow interpretation thereof.

An Inevitable Proposal

Up until a very few years ago--leaving the United States out of the picture--the two countries in America with the most influence were without a doubt Argentina and Brazil. The former because of its specific socioeconomic influence--a sector in which it lost a lot of ground during the Dr Martinez de Hoz government--and the latter because of its favored nation status with the State Department, especially during the Nixon-Kissinger administration.

Mexico was--and is--much more underdeveloped; and its major influence derives from its being at the "back" of the United States. For its part, Venezuela seemed to be emerging as the possible "leader" of Central America; however, it did not have a solid internal front which would have made that possibility a reality.

Nevertheless, conditions in the world were changing substantially and Venezuela was the American country which best knew how to take advantage of the new winds.

Its position as producer and exporter of oil--with membership in OPEC--gave it the economic weapons to "project itself" outward. A skillful policy of investments in Central America and the Caribbean permitted it "to get a foothold" in countries of those areas which it would like to lead.

A domestic front of populist democracy, with the social democrats and democracies alternating, on a continent where the latter [word or words missing], social decompression and also to export an image of champion of the democracies, on a continent where the latter have not been able to produce an optimum result because of their own inefficiency and lack of time.

Now is the time to capitalize on all of this by participating in the first rank of an Americanist front; however, once again the international situation is exerting its influence and it is necessary to have quick action and a small turn of the rudder.

Central American Battle

The fact of the matter is that this negotiating power of Venezuela which rests economically upon oil is seeking political leadership in Central America. And it is precisely this leadership which is being threatened by two intimately related facts: the installation of Reagan as President and the crisis in El Salvador.

The rationale of the State Department changed radically on 20 January 1981, and populist democracy is not one of the terms being used with great gusto. Venezuela understands this and is subtly modifying its political direction. On that point, a meeting of the minds may be reached with Argentina, Brazil and Canada which, objectively, could be beneficial to those countries and to continental development.

At the same time, that change of direction cannot go very far or Venezuela will lose its status as a democratic country with aspirations of leadership. The limit is delineated in El Salvador where Venezuela is playing its cards in the direction of the Government Junta and is confronting Mexico, Nicaragua and Cuba--which have recognized interests--and the hard lind of the State Department, which appears to prefer the military sector of the extreme right.

In this situation, Venezuela needs allies. Its old bastion, the Andean Pact, was shattered itself by the military coup in Bolivia and the miniwar between Peru and Ecuador.

In exchange for this support, Venezuela can offer oil and "political understanding." Apparently, Brazil cannot disdain the former and Argentina cannot disdain the latter.

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NICARAGUAN AID TO SALVADORAN REFUGEES, CHILDREN IN CUBA DISCUSSED

Managua LA PRENSA in Spanish 23 Mar 81 p 6

[Text] Father Edgar Parrales, minister of social security, told LA PRENSA that over 3,000 Salvadoran refugees are receiving assistance from the Social Security Institute. He also explained that he could not provide the exact number, because the figure is always changing; but that both the social security and the migration entities had kept a proper count.

Father Parrales claimed that the care being given them by that institute is of a psychological nature, owing to the trauma of war. He stressed that, in the social area, children and even many adults were being given housing, food, health and education.

With regard to the occupational aid, he said that the Salvadorans were being kept in rural centers, with an attempt to incorporate them into the INRA [National Institute for Agrarian Reform] production areas, and to incorporate the farmers into the cutting work.

There are many Salvadorans being given a subsidy of 250 cordobas per week, and many are being helped to set up their shops, depending on their specialties.

Contribution From the UN

He was asked: "Father, where is that money being obtained to give to the Salvadorans?"

He replied: "Almost all that money is being financed by the program of the UN High Commission for Refugees, with which Nicaragua is coordinating and administering the money."

He also noted that they are receiving aid from the European Economic Community, and stressed that the greatest assistance comes from Western Europe and the United States, through AID, which is financing a group of food type projects.

He added that the IDB is also channeling the assistance sent to Nicaragua by the international agencies.

The Island of Youth

Upon being asked about the children located in Cuba, the minister said:

"This ministry has always controlled that program, but there have been certain changes, such as those involving the packages sent to the children by the parents.

"But since those parents were complaining a great deal that the packages and letters were being taken away from them, we decided that it would be better if everything were sent through the mail."

Father Parrales explained that there are two centers in Cuba allocated for Nicaragua. Each center has 600 children, in other words, at the present time there are 1,200 children in the basic course."

He said that the Nicaraguan children not only receive their diploma, but also, at the same time, agricultural technical training.

He added that, when a Nicaraguan obtains a diploma and his agricultural technical training, he can remain for 2 more years to receive his certificate as an agricultural technician, learning a great variety of subjects during his instruction.

The Undisciplined Ones

With regard to the children who have been returned from Cuba, Father Parrales claimed that they had been returned because they were undisciplined, since they refused to submit to the rules of conduct of the Cuban children.

He remarked: "This occurred at the beginning, because children of different ages were sent, and these adolescents placed there were very idle. They drank liquor, and there were even cases of sexual misconduct with their comrades; and so they were expelled and turned over to their parents."

He said that there are Nicaraguan teachers serving as supervisors in the study centers on the Island of Youth in Cuba, and that they cooperate with the Cuban authorities in solving any problems.

Discipline With the Nicaraguans

The minister claimed that, at first, the Cuban authorities used a rather kindly policy toward the Nicaraguan children, explaining that this was done in view of the fact that they were coming from a country which had just experienced a war; but that upon observing that these adolescents were impudent, lazy and illbred, the Cubans were given permission to apply the same discipline to them as that used with Cuban children.

Requirements

He said that, at the present time, in order to send a child to Cuba the main requirement is that the child be at least 16 years old and have finished elementary school, as well as having a good record and a recommendation from the community in which

he lives. It is also necessary to contact the association of parents of children who are in Cuba.

But, at the same time, he announced that a study is being made of an institute, to be administered by the Ministry of Education, to provide for the grant programs for the children who go to the Island of Youth.

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LAMBRUSCHINI'S REMARKS ON POLITICAL MODERATION HIGHLIGHTED

Buenos Aires CONVICCION in Spanish 8 Mar 81 p 1

[Article by Mariano Montemayor: "The Great Policy of Moderation"]

[Text] The speech by the commander in chief of the navy, Admiral Armando Lambruschini, on the anniversary of Admiral Brown's exploit, constituted one of the outstanding political events of last week beyond its protocol significance. Apart from the unusual amount and location of the space given it by the various media, this was the subject of major commentaries in political and diplomatic circles, to the point of giving rise, which is less usual, to positive analyses of its content and some reservations, demonstrating that one of the great evils of the country continues to be the lack of intellectual clarity.

The words spoken by Admiral Lambruschini fell within a line of thinking which has been developing slowly, as LA PRENSA has noted in the course of more than 2 years of reports. The close consistency in the thoughts set forth by Lambruschini, never descending to the level of a description of the temporary but taking circumstantial phenomena as a point of reference, is linked with the purest Christian and classic political philosophy. Its basic roots are found, moreover, in the doctrine of the institution he commands, in the Founding Acts of the Process and the Political Bases of the Armed Forces. Thus Admiral Lambruschini can allow himself the political-intellectual luxury of expressing himself so "roundly." A prudent and cautious man, a lover of the strict sense of words and concepts, Admiral Lambruschini, when he speaks, has his intellectual flanks well covered.

Lambruschini never gets entangled, never becomes confused or confuses the community with opinions about the fortuitous, the controversial or the anecdotal. From his high and responsible post as commander in chief and a member of the military junta responsible for the custody of the "major guidelines of the process," he prefers to design vast avenues along which the traffic in our daily problems can travel in orderly and competent fashion. He prefers to stop at drafting the major frontiers within which everything is possible and even necessary, while outside them only disintegration awaits us.

Pluralism is a concept on which Admiral Lambruschini has lingered on numerous occasions, and the key to our normal future institutional development. It constitutes the essence of democracy--and there are limits to this diversity--and corresponds to the deepest classic political thinking. Montesquieu wrote that "true union is an accord produced by the various parts, however opposed they may seem to us, which contribute to the general well-being of society, as the dissonance in music contributes to the total harmony."

In a not overly clear report carried in LA PRENSA, it was stated that "pluralism" is not necessarily synonymous with purely numerical "populism." The statement is true but redundant, because in all of his statements Lambruschini has made his rejection of "populism" very clear--in the Brown anniversary address he referred to demagoguery as one of the "aberrations" from which we have suffered--and because in fact "pluralism" and "populism" are qualitatively different political categories. This would be like comparing apples with pears. Pluralism involves the various overall views of society which because all are acceptable because of their agreement on ultimate values, compete within the law to govern society. Populism is a complicated phenomenon in political pathology which was born in Russia in the 19th century, and offers very different facets. Some years ago, a congress to study it was held in London and in the prologue to its minutes, Ionescu wrote what could be considered a general summary of it. For populists, there is always a "conspiracy" against the poor and therefore, "populism," Ionescu wrote, "idolizes the people, but the meek and submissive people, the miserable people, adoring them precisely because they are miserable and because they suffer from the persecution of the conspirators."

In this work, Donald MacRae adds another analysis of surprising lucidity and modern applicability. "The populist," he wrote, "justifies himself by what has been called an asymmetry of civic principles. Faced with what he regards as a conspiracy and usurpation of power, the populist may demand that the others be guided by the highest principles in their moral and political conduct, while he is exempt from following these norms until the conspiracy is destroyed." It is clear, therefore, that as LA PRENSA reported, Lambruschini's references to pluralism cannot be linked in any way with populism. There remains the small doubt as to why the morning daily insisted on something so clear and obvious.

In his most recent address, Lambruschini added the key concept of "moderation," as the axis of any positive policy for the future. He took care to stress that "moderation" does not mean being weak, lukewarm or resigned. It was not the pejorative sense of moderation which led us, for example, to accept the first proposal of His Holiness on the Beagle affair so obligingly.

The moderation Lambruschini urges is strength restrained by caution and justice. Reason, balance, the fluid reconciliation of sectorial interests with those of the community. This is the saving virtue par excellence, for if we Argentines are full of individual and sectorial ideas, interests and demands, and if we do not learn to reconcile them through the concept of the nation, we will cause it to founder. And let us not deceive ourselves, because no one can truly save himself by trampling on the very foundations and essentials of coexistence.

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WEEKLY DEFINES THREE MAJOR POLITICAL CURRENTS FACING VIOLA

Buenos Aires ULTIMA CLAVE in Spanish No 518, 10 Mar 81 pp 1-4

[Text] Viola and the Politicians

People have been talking until they are blue in the face about "the president and his men" and, as if it were the same thing, about "the president's men," a synonym that is far from accurate in Argentina's current political situation. Now that the national cabinet, the civilian provincial governors, the ministers accompanying the latter, and the officials under the military governors have been appointed, we will be able to tell for certain how much truth there is to all this talk in recent months about the president and "his" men.

Three Major Currents

There is, in fact, a history to the issue. There have been several and, at times, opposing political attitudes towards the Process that began on 24 March 1976, even before the Armed Forces assumed power almost 5 years ago. We can break down these political attitudes into three broad groups. Some people, we will recall, advocated a drastic solution designed to steer the country's political and institutional life along a different path and from the very beginning they approved of but also had misgivings about the Process. Others were openly hostile from the outset to many of its most innovative moves, although in recent times, due to the special climate created by the change in government personnel, they have been developing less compromising stands and clearly reducing the intensity and amount of their criticisms. Finally, a third group has remained faithful to itself and cultivated an uncompromising opposition to the Process from March 1976 to March 1981.

There have been shades and nuances of opinion in each of these three sectors, as a number of people in them have proposed alternatives to the dominant or prevailing position. Thus, for example, minority factions in the groups making up the first cross-section systematically aimed at weakening their support for the Process. Factions of little or some esteem resisted the alternatives put forth by the groups making up the second sector and kept up circumstantial relations with leading figures in the Process, without concealing their points of agreement or even disagreement, their premise being that the steps that had been taken until then were indispensable. Lastly, factions in the third group (staunch opposition from the outset) at times evidenced a great deal of dissent.

which was quite striking in some cases, as men rebelled openly against party leaders and held that an approach of formal cooperation with the Process was necessary.

The first sector could be said to include Progressive Democracy, Popular Line, the Christian Democrats, the Popular Federalist Force (FUFEPO), Democrats and Conservatives, Socialist Democrats, the Manriquismo Federalists, etc. In the second group we could place the Radical Civic Union (UCR) and a wide range of provincial and even municipal political movements that are quite visible in certain districts. The third group is easier to pinpoint, because of the fiery tone and at times even the exasperation and loss of control that the opponents of the Process cultivated. From the very beginning it consisted of Frigerio-Frondizi's MID [Integration and Development Movement], the intransigent faction led by Oscar Alende, various minor factions in FREJULI [Justicialist Liberation Front] and, of course, Peronism.

It bears remembering that the "political dialog" did not distinguish between factions or leaders in one or the other sector. Practically all of them filed through the interior minister's office, including the representatives of the former leadership. Since they were all treated the same way, without the indispensable acknowledgements or distinctions, the dialog reflected an erroneous policy that under the pretext of not discriminating and of fostering the emergence of new leaders, tended, on the contrary,to keep the former leadership groups intact and to reward past attitudes rather than denounce them, as should have been the case. This is clearly so because 5 years into the Process the panorama of political leaders is, with minor exceptions, the same as in 1973, not just 1976.

Actions and Reactions

The breakdown of the three groups or sectors that we gave at the beginning will enable us to find out what selection criteria were ultimately used in appointing the ministers and governors and in what way and to what extent the Process will be making friends, fewer friends or even enemies. It is but one short step from there to determining or guessing the future policies of the parties.

In its initial makeup, the cabinet seems to have accorded favor to two groups that are easy to pinpoint (as we did in the previous issue). We could say that one of them is marked by involvement in business (Aguado in agriculture and Oxenford in industry) and by a party presence that, strangely enough, has its strongest backing in the MID, that is to say, the group that has always voiced its harshest opposition to official policy ever since 24 March 1976. We are referring, needless to say, to the future foreign relations minister, Dr Oscar Camilion, who has close ties (as long as he does not deny it) to Messrs Frondizi and Frigerio. The other party presence, Dr Amadeo Frugoli, the Democrat from Mendoza who has been named minister of justice, has maintained a less obstinate attitude, but for some time now (ever since his designation as education minister was thwarted in 1978) he has been a harsh opponent of President Videla's administration.

We should clarify, nonetheless, that if Dr Camilion can readily be placed in the third group (staunch and systematic opposition to the Process) it is not hard to identify Dr Prugoli with the dissident factions in the first sector (open support for the Process). People might ask how Dr Camilion can be so characterized if from the very outset (March 1976) the government appointed him ambassador to Brazil, a diplomatic post whose crucial importance we need not underscore. But what seems to be a contradiction is quite understandable. A diplomatic post is far from being a political job in which decisions are made, and in any case a diplomat's performance reflects on him, not on the person who appointed him.

In any case, this case warrants examination in a broader context. Whoever pushed for Camilion's appointment as ambassador in 1976 should explain now how a government official can have systematically maintained support for or silence regarding (it comes down to the same thing) the stands of the political group to which he belongs, especially its four latest declarations, which were widely publicized, including, in some cases, in the form of full-page "petitions."

Dr Camilion's appointment as foreign minister, to the detriment of a man who has been openly associated with the Process from the very beginning, Dr Rafael Martinez Raymonda, suggests, in one way or another, that a decision has been made to pursue a specific political course, because, let's admit it, in politics it is difficult, not to say impossible, to select a person without knowing his qualifications and background, so that the appointer and appointee can together chart a course to follow. The appointer must be just as informed about the appointee's background as the latter is about the policy that the former has proposed to pursue.

In such cases, not only is the course to be followed by the appointee charted, but also, probably, the course that the person not appointed is to pursue. Such things come in pairs.

Another striking example is the supposedly imminent designation of Dr Guillermo Fernandez Gill as government minister of Buenos Aires, beating out rivals such as Dr Fernandez Mendy from Popular Line, Juan Balestra (the brother of Ricardo and a member of the Renewal Party), Perez Izquierdo, a Conservative, or perhaps, according to persistent accounts, Dr Jose E. De Cara, a Progressive Democrat. Dr Fernandez Gill's appointment might be closely reconsidered, however, in light of LA PRENSA's publication (Sunday, 8 March) of a portion of the speech that the legislator of the Popular Federalist Alliance bloc delivered on 28 August 1973 in the Chamber of Deputies as part of the homage being paid to the "martyrs" of Trelew. LA PRENSA transcribed the speech from the Congressional Record.

But in the event that Dr Fernandez Gill assumes the post of government minister of the Province of Buenos Aires, it is thought unlikely that he can bring many Manriquistas with him, bearing in mind the gap that gradually developed between his statements and stands and those taken by the party of the former national minister of social welfare. We need only recall Manrique's remarks regarding the "missing persons" (a problem that he said must be resolved) last January and the reply that Mr Fernandez Gill shot back at him, taking a distinctly

different stand from the one he upheld in his congressional speech of 28 August 1973. The critically questioning statements by the leader of the Federal Party, Dr Alberto Robredo, are also evidence of their differing stands (see ULTIMA CLAVE, No 516, 24 February 1981).

Whereas Mr Camilion will be taking up his post with his party behind him, if we go by the accounts of Mr Frigerio's "warm congratulations" for the future foreign minister, the same will not be the case with Mr Fernandez Gill. His party has already shown shaky support for his designation, which is not a sure thing.

As far as Dr Frugoli is concerned, his quarrels with the highest authorities of the Conservative movement in Mendoza are well-known. His faction is clearly a minority, in spite of which, as we said in our previous edition, the party has given it freedom of action.

Lastly, and to be more specific, the fact that Dr Camilion's appointment tends to benefit a faction that has prohibited mention of former Labor Minister Dr Guillermo Acuna Anzorena in the paper CLARIN, an admitted voice of the MID, could round out this picture of give-and-take that comes from supporting some people to the detriment of others and that has the virtue of indicating in advance and objectively the course that might be taken by those who feel that they have been overlooked or left behind.

The factions of FUFEPO have furnished the future government the names of Amadeo Frugoli, minister of justice, and Jose Antonio Romero Feris, the leader of the autonomous movement in Corrientes who after seeing his candidacy for provincial governor frustrated (it was given to a military officer), will serve as a presidential adviser. If any other FUFEPO figures are to join the new government, we will have to wait for the final appointments of civilian governors, national undersecretaries and provincial ministers, in addition to the lengthy cast of high-level officials in various spheres under both these jurisdictions. Nevertheless, FUFEPO's presence in the government is not commensurate with the influence that it was once thought to have. The allies of the Progressive Democrats in the tripartite group (the Democratic Socialists and the Christian Democrats) are in the same situation as they are, though without the burden of what one leader of the group called Dr Rafael Martinez Raymonda's "manhandling" by some print media, which kept on speculating about the "prode-ministry." The fact of the matter is that they openly supported the Process from the very outset and even before the Armed Forces took power on 24 March 1976. Thus, their staunch backing of the ongoing Process contrasts starkly with the noticeable absence of their leading people among the ranks of the future government. As in previous cases, the problem does not seem to stem from a lack of outstanding figures qualified to take up the responsibilities of government. A similar situation characterizes other liberal forces or groups whose hallmark is an adherence to principles and political forthrightness.

Assessment

The issue goes beyond all this and hinges most strongly on the attitudes that we can assume the three political currents we have been talking about will take towards the Process. Whereas, in general, the longstanding political leaders of the second and third groups have consolidated their positions, the first sector has moved to bolster dissident factions, which in one way or another will be able to utilize the latest developments (appointments and non-appointments) as a "boomerang" against the Process and against those people in the party who have always supported it uninterruptedly and without thinking twice. In this sense, the appointments so far will not redound to the benefit of the groups that have backed the Process since 1976. Along these same lines, this could also be said of the second current we have been discussing, whose minority factions that support the Process will see their political potential diminished.

The rule in politics has always been to work with one's friends and persuade one's enemies. Choosing one's enemies and overlooking one's friends is an erroneous approach that can only cause more problems than it solves.

8743
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DAILY URGES NEW ADMINISTRATION TO CORRECT PAST MISTAKES

Buenos Aires LA PRENSA in Spanish 22 Mar 81 Sec 2 p 1

[Editorial: "Necessary Rectifications"]

[Text] Now that a new president is about to take office and almost 5 years have passed since the military uprising of 24 March 1976, some comments are in order about the broad guidelines that the government observed during this period, and the timely corrections that are needed in some spheres bear mentioning.

It is only fair to recall, as we have in the past, that the current authorities took power in the midst of the chaos and demagogy inherited from Peronism and in the face of a brutal onslaught by terrorist subversives who were undermining the country and jeopardizing its very existence. Law and order were restored, the government regained its lost stature, and the bloodthirsty aggression of the "dirty war" was defeated by the tenacious and dogged efforts of the Armed Forces and Security agencies. These valuable services that the National Reorganization Process rendered to the country deserve the resolute support of our citizens.

Nevertheless, in other basic facets of our national life the government's performance has not been as fortunate as was to be hoped. In this connection, the handling of foreign relations, the violation of constitutional rights and guarantees, the survival of harmful structures, the serious mistake called the professional associations law, the proliferation of emergency legislation that is incompatible with a system of law, and in particular the uncertain course of economic policy have prompted well-founded misgivings and demand urgent rectification. The crisis on our farms, the virtual ruin of industry and the erosion of our currency as reflected in the foreign exchange market run all demand appropriate decision-making.

As we have pointed out before, it is not only advisable but necessary to lift martial law, which was put into effect more than 6 years ago, inasmuch as, according to the government's own claims, the reasons why it was ordered no longer apply, and therefore full individual rights must be urgently restored.

In addition, it is unacceptable for the government to continue enforcing, without at least introducing the indispensable reforms, certain protective legislation, such as Law 20,840 (aimed at cracking down on so-called economic

subversion), that it enacted all too nonchalantly and hastily in September 1974. We have contended that a mere reading of this law, which uses the term crimes of economic subversion, shows that what it really punishes is the crime of fraudulent management, which is a specific kind of fraud that is held illegal in every criminal code in the civilized world and, therefore, in ours. The so-called "draining of businesses" that the law we are questioning refers to is simply a more journalistic than academic way of describing one of the more serious forms of this crime. The most reprehensible aspect of the law, however, is the vague latitude of its provisions in referring to "harm to the national economy" or "endangering national security." The broad scope of the two concepts introduces an element of imprecision that is at odds with the succinctness and, above all, the clarity that every criminal law should possess, and thus the magistrate in charge of enforcing it enjoys discretionary authority that could make the law plainly arbitrary.

We have similar misgivings about emergency laws enacted last year, some of them retroactive, that endorsed certain methods of intervention and out-of-court liquidations of companies, in open disregard of the traditional, regulated bankruptcy procedures. Although the government tried to justify them by pointing to the financial crisis that the country was and still is going through as a result of the failure of credit institutions and industrial firms, the fact is that they represented an unacceptable interference by administrative agencies in matters that are strictly and exclusively within the purview of the courts, with the result that the rights of shareholders and the interests of creditors are in doubt. Experience has not shown this dangerous innovation in a favorable light, and the same can be said of the so-called "banking clubs" that the government promoted to get around the established bankruptcy procedures in the case of big businesses that had suspended payments.

The efforts undertaken by the Justice Ministry to enhance the Judiciary, especially over the past 2 years, have been praiseworthy. Nonetheless, we would all have to admit that purely technical matters, regardless of their importance, are not the be all and end all of the administration of justice, far from it. It is all well and good that new buildings are going up, that branches are being centralized and that the furniture and equipment needed to render the service are being acquired. But the workings of the Judiciary mean more than these things, which are just essential tools for our courts. In this connection, it would not be pointless to stress that the all-important mission that magistrates are called upon to perform in judging the rights and actions of others ought to enjoy the cooperation of the government's agencies, and it is precisely here that we have noted unacceptable difficulties that cannot be conceived of in an authentically republican system. One of them is the incomprehensible lateness or reluctance with which government agencies respond to the requests for information about detained or missing persons that judges require in dealing with petitions for habeas corpus, and this results in unjustified delays in trials that by definition should be urgently heard on a priority basis. Another is the excessive harshness with which the police occasionally act when, under the pretext of getting to the bottom of reported or potential crimes, they inexplicably supplant the function of the courts and often take arbitrary and, it is charged, abusive action, which judges have been forced to rectify on not a few occasions.

But perhaps the most serious criticism that we can voice with regard to the present government has to do with the incomprehensible secrecy in which its decisions are made, bills drafted and foreign policy pursued, as background and other information that the public is entitled to is withheld and a deaf ear is turned to the insistent but futile appeals in this regard. In the same way, the people are prevented from knowing the real reasons for the resignations of of ministers and other high officials, and the official reports and balance sheets of government institutions go unpublished, with a few honorable exceptions. These last-named documents cannot be substituted for with televised explanations by ministers, such as the ones that we have seen in recent days, which are more of an attempt at self-interested propaganda than an effort to provide useful information.

In this connection, there is no explanation for the government's reluctance to clarify why we still belong to the heterogeneous group called the "nonalined" countries, the clearly Marxist-inspired organization that then provisional President Lastiri had us join on orders from Peron. We are still members of this group today, knowing that it is headed by Fidel Castro, who harbored, trained and protected the terrorists who besieged our country not too long ago.

Likewise, it is unacceptable for the economy minister to consider the privileged "newsprint" system a "closed case," as he did some time ago, because it constitutes an ongoing assault on the freedom of information. Also reprehensible is the perpetuation of an official news agency that monopolizes government publicity and follows guidelines and criteria that the country is unaware of.

We can only be puzzled at the persistent silence of the Central Bank, which has not consented to report in what institutions, in what countries and under what conditions the country's monetary reserves are deposited, as if they were its own private property, not the proceeds of Argentines' savings.

There has been air-tight secrecy surrounding the studies being conducted on the projected political parties statute and the future election law, which will be fundamental tools for our institutional normalization, which is the objective that the authorities have proclaimed and so far postponed indefinitely. Meanwhile, the political forces are still in hibernation, which precludes the much-needed overhaul of their leaders and keeps the populace awash in doubts and uncertainties.

We have deliberately kept for last, so as to highlight it, the government's unfortunate policy regarding education, which has prompted serious concern among our citizens.

The stage of the National Reorganization Process that coincides with the close of the current presidential term began amid dangerous circumstances that have fortunately been surmounted. In addition, it is understandable that our military commanders who were obliged to perform functions outside their specific mission and who lacked administrative experience would make mistakes and go astray, as these new, standby officials were summoned by destiny to resolve complex affairs of state. Five years into the Process, however, there is no justification for commiting the same mistakes.

The observation has rightly been made that the nature of the means eventually perverts the nature of the ends, and for this reason the best intentions at times conspire against the achievement of the desired objectives. At this point, we will not be able to progress towards our most important goal, a strong and authentic democracy, if the authorities do not begin to govern in strict adherence to the consitution and our laws. What most distresses public opinion is that the lack of official reaction to well-founded criticism gives rise to alarming uncertainty about the future. Our incoming government officials have the opportunity, which the citizenry s anxiously awaiting, to make the necessary rectifications.

8743
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MENENDEZ PLEASED WITH GOVERNMENT'S REPLY TO VATICAN PROPOSAL

Buenos Aires LA PRENSA in Spanish 27 Apr 81 p 10

[Text] Cordoba (NA)--The former commander of the Third Army Corps, retired Gen Luciano Benjamin Menendez, disclosed here that we have asked Pope John Paul II to "set specific boundary lines on land and to allow Argentina to erect a retaining wall to halt Chile's move eastward" in his proposed settlement for the border dispute with Chile.

He contended, furthermore, that "we should not take a passive approach to either the study or the solution of this conflict," then quoted Domingo F. Sarmiento's remark that "on the other side of the Andes there is a nation that cannot be convinced by reasoning. That country cannot be dealt with through arguments or words; it must be dealt with through irreversible faits accomplis."

Menendez, who went into retirement in early October 1979 after heading up a military uprising, lectured yesterday on the age-old border dispute with Chile as part of a series of speeches organized by the Movement for the Affirmation of Sovereignty, which he is the leader of.

He said that Argentina's response to the papal plan states that "we Argentines did not assume that we were going to be asked to make sacrifices such as those suggested in the (Vatican) document of 12 December" and that therefore, he indicated, "the Military Junta is asking (the pope) to continue his mediation efforts to come up with a just solution."

In this regard, he explained that in the document delivered yesterday (Wednesday) to Cardinal Antonio Samore, the papal representative in the negotiations, Argentina asks for "a solution that sets specific boundary lines on land and that will allow [Argentina] to erect a retaining wall to halt Chile's move eastward, in other words, to prevent Chile's thrust towards the Atlantic."

Keeping What Is Ours

"The objective is to keep what is ours, and of course, ideally, we ought to accomplish this in peace. The objective is to be exclusive masters of the south Atlantic, of its islands and of the Argentine Antarctic, inasmuch as from very early on Chile has tried to expand at the expense of its neighbors and succeeded in doing so to the north and south," he stressed.

Menendez claimed that Chile's "fondest ambition" is "to make its vertical border with us horizontal," after which he wondered: "Will Chile, which headed south to Antarctica from the Bio Bio River and intends to move towards the Atlantic, resign itself to the ocean boundary lines that Pope John Paul II is now proposing, which are vertical?

"Why does it want tiny islands (Lennox, Nueva and Picton) that have no economic value?" he asked, going on to say that "the answer is quite simple: because they are a springboard to the south Atlantic so that it can then extend its rights to the Argentine Antarctic in a legitimate manner now under the pope's proposal."

leased With Response

Mendendez then said he was pleased with Argentina's response to the papal plan, which, he stressed, gives rise to "the need for further studies by the Vatican and for discussions with Chile, which were surely be stubborn and heated, and this forces us to assume that this new phase will be lengthy and quite laborious.

"If we do not do anything during this interim period, what has been systematically going on will happen again: Chile has moved eastward as long as it has not encountered resistance but has fallen back when Argentina has reacted," he stated, contending therefore that "we should not take a passive approach to either the study or the solution of this conflict."

Proposal

He then outlined what he called his "southern program," in which he proposes expanding our military presence in the Beagle Channel area, encouraging the location of industries and settlers there, promoting research on the islands and developing a national and international educational campaign regarding Argentina's rights in the south Atlantic.

"The southern extreme contains the master key that will open doors for us so that we can present ourselves to the community of nations as a country that is destined to rule, not be ruled," he underscored, indicating in conclusion that "accepting this surrender now would mean passing on to our descendants the obligation of making good our grievance by any means."

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PRESS COMMENTARY ON CPSU CONGRESS

Soviet Pacifism

Buenos Aires LA NACION in Spanish 17 Mar 81 p 8

[Text] The national congress of the Communist Party of the Soviet Union which has just been held in Moscow culminated its discussions with the statement that that country has continued to advance toward a Marxist millenium. It is curious that absolutist empires seem especially fascinated by the magic the number 1,000 has for them. The reader will doubtless recall the "1,000-year Reich" which Nazism promised its insane followers.

With a certain measure of caution, the Soviet leaders have warned that "the path could be longer than was believed."

According to the representatives of the 130 foreign communist parties present in Moscow, "millions of workers throughout the world are inspired by the Soviet Union."

The inertia of the ideologues capable of extending 19th-century nomenclature until nearly the beginning of the 21st century is remarkable. That mythological slogan "proletarians of the world, unite," which may have made sense under the socio-historical conditions of the last century has been replaced in fact by the more cruel "terrorists of the world, unite." This is an expression which is far from a mere paraphrase, because it has become a reality that every day and in all parts of the world outside the "socialist countries" the blood of innumerable victims is shed.

The Moscow congress sought to calm world public opinion, so to speak, by giving assurance that the foreign and domestic policies of the Kremlin are functioning perfectly. To judge from the results, and if the word "perfection" is unacceptable in the above context, there can be no doubt that the foreign and domestic policies of the USSR are functioning with at least notable efficiency. Which shows that efficiency, in order to be a virtue, depends on its objectives. In this case, domestically, the Soviet Union has succeeded in buttressing its absolutist state, and abroad, its inexorable expansionism is continuing steadily. Within this framework, there is no doubt that the USSR wants no obstacle to interfere with its plans and publicly proclaims itself to be a partisan of peace. In this connection, nothing could be more timely than Brezhnev's demand for "normal relations" with the United States.

No one in his right mind would encourage a warlike confrontation between the two superpowers, but parallel with this, only the naive can believe in the honesty of the Soviet policy. While they proclaim their desire for peace they continue, in their ideological provinces, to train the guerrilla fighters who are receiving weapons throughout the world from the USSR and its satellites. Recent cable reports tell us that hundreds of Soviet tanks driven by Palestinian terrorists are traversing the ruins of Lebanon.

On the other hand, vast military supplies are traveling from Cuba, the Soviet gendarme in the Caribbean, through Nicaragua to the Salvadoran guerrilla fighters. Central America, which has been transformed into a bloody battlefield, will provide the new basis from which the USSR can continue to proclaim its love of peace, while at the same time finding ways to shorten the path to "the Marxist millenium." This is a euphemistic phrase, because what they strictly speaking want to achieve is "the Soviet millenium."

The 1,000-year Reich has changed owners. Only by confronting the spirit of Munich can democracy find a way to avoid being swept out of history.

Moscow Communist Congress

Buenos Aires LA PRENSA in Spanish 9 Mar 81 p 6

[Text] With the banners, now traditional, appropriate for great spectacle, the 26th Congress of the Communist Party of the Soviet Union, the most powerful such party, ruling over the other similar groups in Europe, Asia, Africa and America, lasted for 5 days in Moscow. The sessions, in which the most frequent manifestation was applause of the masters of Soviet power, took up no subject whatsoever which had not been previously decided upon in the anterooms of the great party apparatus hall. The speeches followed one after the other in previously established order, with any discussion which could result in an attitude or position different from those previously agreed upon excluded.

Strictly speaking, the number of delegates--more than 5,000--made any change of opinion impossible, unimaginable in a regime in which dissidence is another word for crime. The meager account of the congress is also a consequence of the absence of Western journalists. All that emerged from the conclave were items dictated by "the voice of the master," the only one allowed, with the most space devoted to the four-hour address delivered by the head of the government, Leonid Brezhnev.

The head of the Italian Communist Party delegation was unable to submit to the congress his motion asking that the Soviet Union withdraw its troops from Afghanistan and seek a political solution to the problem. He was only allowed to announce the general sense of his proposal at the headquarters of the Soviet trade unions, including a reservation to the effect that the two communist parties, Italian and Russian, should seek the conditions for "mutual understanding."

The reelection of the 280 members of the Politburo was the fullest proof that the Brezhnev gang continues in control of the party apparatus, or perhaps a significant indication that there are none to be found outside of it with a sufficient degree of loyalty or submission to be worthy to succeed them.

The average age of those reelected is in excess of 70 years, and in the opinion of observers of the Soviet scene, this circumstance could have an unfavorable effect on the course of the next 5 years for which the party leadership has been endorsed again.

The aforementioned "new 5-year plan" took up a good part of the congress sessions, not for discussion of it, but for approval of the most important chapters of the closed book. It is warned that once again heavy industry will prevail over consumer industry, that is to say there will be cannons rather than butter. Meanwhile, discontent will continue to be voiced under the breath, and it will remain for the hierarchs in the Kremlin to arrange for the "happiness" of the Russian people in the future, as they have been doing since 1917.

This time there was not, as there was in the days of Stalin and Khrushchev, any event or any word indicative of an atmosphere of exultation or threat. This lack of histrionics and boasting can only reflect the many concerns and problems involving the minds of the highest Soviet leaders these days. Poland, Afghanistan, observance of the Helsinki Accords (at the Madrid Conference, the Soviet Union was harshly accused of violating them), the denunciation to the effect that Russia today is the wet nurse of world terrorism, the demonstrated participation of Moscow and a number of its satellites in supplying weapons to the guerrilla fighters in El Salvador, and above all, the new attitude adopted by President Reagan in the foreign policy sector, have obviously dictated for Mr Brezhnev a type of behavior in which moderation and "foresight" have been his best counselors.

But along with these situations, which added together form a picture previously unknown in the Soviet Union, it can be seen that the persistent decline in the Russian economy and the failure of the collective system of the vast bolshevik empire all over the globe, from Siberia to the Berlin wall, from Southeast Asia to the African "possessions," and from the always precarious Cuba to the problems of Nicaragua, has certainly weighed heavily on the minds of the Soviet hierarchy. In all of these countries the less than modest standards of living represent a daily reality, related to low production and limited productivity, all of this within the framework of a regime in which basic individual freedoms do not exist.

Not only is Moscow aware of its low rank where these things are concerned, in open contrast to the Western world, but it also knows that among the peoples it keeps subjugated, there is not a total lack of information about the existence of other standards of living in the noncommunist world.

This increasing disparity represents a challenge to bolshevik collectivism. Moscow appears to be dealing with it via the dangerous path of an armaments race which demands of it 15 percent of its gross national product annually.

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UCR ISSUES EMERGENCY ECONOMIC PLAN TO DEAL WITH CRISIS

Buenos Aires CLARIN in Spanish 13 Mar 81 p 5

[Text] In its announced document devoted to an analysis of the economic situation after 5 years of Jose Alfredo Martinez de Hoz' program, the Radical Civic Union (UCR) termed its results "devastating" and pointed out that "except for speculators, no one has escaped this national catastrophe, whose impact has been as serious as a defeat in war."

The lengthy document, drafted by the UCR's economists, including, among others, former Minister Juan Carlos Pugliese, is entitled "Analysis of a Failure." The first part contains a 14-point assessment of the economy over the past 5 years. In the next chapter the UCR repeats its prior proposals in connection with "an economic policy for the country we want," and concludes with a "proposal for the emergency."

A Minority

The document, which is signed by the chairman of the National Committee, Ricardo Balbin, and its secretary, Francisco Rabanal, asserts that the results of the current economic policy at the close of this 5-year period "stem from the obstinate efforts of a minority that, as on other occasions since 1930, has attempted to apply an unworkable program in Argentina and has done so by totalitarian means in disregard of the will of the people, who have thus seen their destiny compromised without having been involved, directly or indirectly, in the formulation and implementation of policies contrary to the nation's interests."

In this connection, it cites the various beneficial expedients that were available to the economic team during a period marked by the suspension of political and labor union activities.

In describing the basic features of the current situation, it points to the stagnation of the economy, noting that the per capita GNP today "is virtually the same as in 1973." With regard to declining industrial production, it discloses that "per capita output is comparable to what it was a decade ago" and that "1980 industrial output was just 83 percent of its 1974 level."

It adds that business failures "are reaching unprecedented numbers" and that productive private investments "are no longer being made."

"We are in the presence of an economy without a currency," it asserts, noting that "from April 1976 to January 1981 the value of the peso fell 63-fold, as gaged according to the official cost of living index."

The issues analyzed by the UCR include regional economies, agricultural and livestock activities, inflation, the public sector (which has expanded over the past 5 years), the balance of payments crisis, the total absence of foreign exchange regulations and the tripling of our foreign debt since 1976.

Odd and Perverse

In this regard, it voices the view that "an odd and perverse financial reform, which was described at the time as the backbone of the new economic policy, has, in fact, thrown the entire system out of balance and misdirected the harnessing and allocation of domestic savings."

In another paragraph on goods and income, it asserts that "the neediest groups have been robbed to benefit those who own the most property. Speculation has been rewarded, and production has thus been adversely affected. Foreign capitalists have received exorbitant profits, paid for by domestic companies. The public sector, which at present is more inefficient and unproductive than ever, has been helped out, to the detriment of private activity.

"To those who still think that the (current economic) program is excellent and that just the methods are wrong, we again assert that this program is incompatible with national realities and with the ground rules of a world that does not recognize the principles of this anachronistic model, and therefore there is no way whatsoever to make it viable."

In drawing up a "proposal for the emergency," the UCR points out that "the crisis is of such a magnitude and extent that it constitutes a veritable state of emergency in the national economy and necessitates the drafting of a rationally conceived program to restore a reasonable level of production, to guarantee the survival of many major production sectors and to gradually bring about a better distribution of the results of the recovery."

Four Fronts

In this connection, it proposes simultaneous action on four fronts: relative prices and inflation; placing the financial and production sectors on a sound footing; placing the foreign sector on a sound footing, and holding down public spending tightly and reforming the tax system.

On the first front, it points out the need to undertake "an economic and monetary reform that will, at the same time, restore a reasonable relationship among the prices of goods and services and put an end to the runaway expansion of the money supply, while maintaining a level of liquidity commensurate with economic recovery and price stability.

"In this connection," it notes, "a social pact seems imperative, so that we can develop a wage and price policy based on solidarity and increased production."

It then advocates helping business get out of the crisis by funding debts "over longer terms and opening up cautious new lines of credit, which, in turn, will further the recovery process."

It proposes altering the pattern of government spending by eliminating unproductive outlays and expenditures that entail privileges for any given sector.

Political Framework

In discussing the political framework needed for its emergency program, the UCR expresses its conviction that "in order for an economic policy that can insure individual happiness to succeed, we need a participatory society, and this basically requires heeding the will of the majority while respecting the minority. Therefore, this policy statement will go beyond the province of economics and call for a normalization of the country, which we understand to mean a quick return to the rule of law and the constitution."

In conclusion, it appeals to the Armed Forces to take part "in the joint task of helping Argentina recover its full strength, a task whose first priority is to overcome the handicaps that a poor economic leadership has created for the country."

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'LA NACION' SUMMARIZES POLITICAL ACTIVITY

Buenos Aires LA NACION in Spanish 8, 9 Mar 81

[Article in the column "In the Political Parties"]

[8 Mar 81, p 14]

[Text] Former radical senator Dr Fernando de la Rua has expressed the view that "there is an urgent need for recovery in production and labor" so that there can be "reestablishment of public confidence." He went on to say that "the presence in the new cabinet of men who protested the current policy, such as Messers Oxenford and Aguado, suggests that if they are agreeable, it will be necessary to promote the needed corrections." Finally, he stressed that "in the political sector, it will be necessary to fill the vacuum left by the failure of a project."

The Progressive Democratic, Democratic Christian Union and Democratic Socialist parties issued a joint communique in which they "publicly rejected the attempted coup d'etat perpetrated in Madrid by those yearning for the Franco era." They went on to add that "there is confidence that within the framework of the free institutions of the newborn Spanish democracy, its definitive consolidation can be expected."

The former Justicialist minister of interior Dr Angel F. Robledo expressed his views about the "participation government" announced by Lt Gen Roberto Eduardo Viola. He maintained that "this is not consistent enough with the appointment of civilians only to certain government posts, or functions, however important they may be." He said instead it will be necessary to carry it out "by making demands on the various sectors participating in the business of the nation."

The professional association of the Radical Civic Union maintained in a statement that "we support every action representing an affirmation and defense of our sovereignty, so that our adversaries should have no doubt that we are a united and mature people. However," the statement added, "we assert that only the parliament which represents the Argentine people can modify or stipulate the rights pertaining to our territory, the historical protection of which goes beyond the responsibility of this emergency state the republic is experiencing."

Former Justicialist deputy Ferdinando Pedrini maintained that "the country cannot be divided into the chosen and the rejected" and he added that "such a division works against national integrity and allows the exercise of power by an elite totally unrelated with our political and social reality." He then stressed that "still being Peronist means disqualification to hold posts."

[9 Mar 81, p 12]

[Text] The economists' commission of the Radical Civic Union will submit a document which will be published at the end of the week to the head of the national committee, Dr Ricardo Balbin, for his consideration.

According to reports, this is a detailed criticism of the administration of Dr Jose Alfredo Martinez de Hoz at the head of the Ministry of Economy during the past 5 years.

On the 27th of this month, the Popular Federalist Forces (FUFEPO) will meet in this capital city to analyze the administration of the president, Lt Gen (ret) Jorge Rafael Videla, and the situation which will be inherited by his successor, Lt Gen (ret) Roberto Eduardo Viola. Party circles believe that a statement will be made at the end of the discussion.

During a multiparty meeting held in Santa Fe, it was agreed to draft a "critical analysis of the economic and social situation." Provincial leaders of the Radical Civic Union, the Justicialist Party, the Integration and Development Movement (MID) the Popular Line Movement, the Christian Revolutionary Party and the Popular Leftist Front (FIP) participated.

The Unified Socialist Party indicated in a statement that the modification "of the system of stability for banking and insurance personnel" which the government proposes "represents a step backward in social policy," and that in addition to destroying the "social gains of many years, it seeks the goal of reducing the cost of the financial system."

An affiliate of the Justicialist Doctrinary Reaffirmation Movement, headed on the national level by Dr Raul Matera, has been established in Catamarca. The board of officers is headed by Dr Ricardo C. Dios, who was the attorney for the Justicialist Party and the government attorney during the last Peronist government.

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ATHOS FAVA COMMENTS ON CURRENT POLITICAL TOPICS

Havana JUVENTUD REBELDE in Spanish 26 Feb 81 p 3

[Report on interview with Athos Fava, secretary general of the Communist Party of Argentina; date and place not given]

[Text] JUVENTUD REBELDE has published an interview with Athos Fava, secretary general of the Communist Party of Argentina.

Because of both involuntary omissions and deliberate ones to save space, the answers to our questions about the situation existing in his country were not printed in full, and we therefore deem it desirable to clarify certain points because of the importance of the subject discussed.

Referring to the situation in the country, the secretary general of the Communist Party of Argentina said the following:

"The process giving hegemony to the armed forces since 1976 is dwindling down. Reactionary sectors within and outside it are seeking continuation at all costs, threatening a new Pinochet-type coup with an elitist outcome and conditioned by the increasing impetus in the struggles of the masses headed by the workers' class. The activity of the popular and democratic forces and political parties has increased in the battle to achieve a truly democratic solution and reform of the present situation."

And Fava went on to say: "Today there is a discussion about the search for a political solution to the current situation in our country, and our party has set forth the need, based on the fact that the division of the waters today is not between the civilians and the military, but between the partisans and adversaries of democracy, to establish national independence and peace whatever the field of activity through a national democratic agreement conceived as a pact of mutual obligations founded on constitutional norms, with a clear program of minimal points of agreement in the economic, political and social sectors, so that through a transition civilian-military government, supported by the actions of the masses, the date and system of elections and forms of putting the future destiny of the nation in the hands of the people can be established within a reasonable time."

When Athos Fava was asked about the position of his party with regard to the military coup in March of 1976, he answered as follows:

"For us, for the party, a very complicated situation developed because of the military coup. It was necessary to decide whether fascism had triumphed or not." And he went on: "A study of the process which led to this coup made it possible

to see that there was not unanimity in the armed forces, that it was necessary to differentiate basically between a wing we could regard as moderate, which proclaimed democracy as its goal, and the other hard-line Pinochet faction, whose goal was and is an unending dictatorship and indiscriminate repression directed against the popular sectors. Both have functioned and are functioning in the process and this is the reason for the political confusion created by this situation.

"We believe that fascism did not triumph fully, that it did not succeed in imposing itself, and so we launched our slogan: renewed democracy for the Pinochetism, which has today become the heritage of the popular forces in the country."

On this matter, Fava continued as follows:

"Once this decision had been made, it was then necessary to focus the cadres and the organization on the struggle to isolate and defeat the fascist sectors, to struggle in order not to yield the smallest position of the people, of the workers, of democracy, however minimal it might appear, without a battle. It was necessary to rally anew, after the frustration which had occurred in the powerful mass movement which had developed between 1969 and 1975 against the inconsistency of the bourgeois reformist leadership, making a single torrent of all the factors for progress in the country. And this is what the party decided to do.

"The most important thing," said Fava, "was to avoid passivity, not to abandon the undertakings of the people as useless, not to let the Pinochet movement advance without waging a battle, reorganizing the action of the masses. In this harsh struggle we paid a very high price. Thousands of comrades were dismissed from their jobs, thousands were arrested, were tortured, were kidnaped or disappeared. Others paid with their very lives for their inevitable activity in the service of the popular cause."

In another part of the interview, Fava spoke of the repression of the workers' movement, saying the following:

"This dealt a blow to all of us leaders of trade unions and federations equally, enraging those most combative and most consistent in the service of the workers, especially at the base level. But there, at the base level, despite the hesitation, the inconsistency and even the betrayal by some leaders, the forms were being found, so that where a base organization died, another would be born and the battle would continue."

Further on, in connection with the future installation of Viola in the presidency of the country, Fava said, as was reported in earlier articles, that this leader emerged in the midst of increasing struggles and contradictions within the armed forces. He was one of the main authors of the 1976 coup, and despite his retired status, he has retained real power within the army ranks.

Finally, Comrade Athos Fava explained that the popular mobilization is being focused basically on two decisive problems: "putting an end to the current economic policy in the service of the imperialists and the oligarchy and the heavy capital associated with both and the struggle for human rights. In particular, the release of all the political prisoners and the clarification of the status of thousands of those who have disappeared must be demanded of the government."

These, along with the views already reported in the earlier interview, are the main considerations set forth to us in synthesis by Athos Fava, and which, as we noted above, were not fully reported in the interview previously published.

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VICE PRESIDENT SAYS GOVERNMENT ERRS IN NOT HEEDING PEOPLE

Rio de Janeiro JORNAL DO BRASIL in Portuguese 16 Mar 80 p 13

[Text] Caxias do Sul (RS)--Vice President Aureliano Chaves yesterday criticized the manner in which the government has been making its decisions. "We are erring in the federal area because we do not listen to those who are building this country," he said after hearing the criticisms, complaints and suggestions by local businessmen in this city. The vice president of the republic also said that "No matter how well a person knows a house he should not hold the job as the cook."

The businessmen of Caxias do Sul told of the need for their participation in the formulation of the economic policy of the country and their disapproval of the restrictions on rural credit in the sphere of investments and of the high rates of interest. The businessmen also pointed out the difficulty in competing with products from Europe because the unreal value of the dollar with respect to the cruzeiro is now aggravated by the 25-percent increase in value of the dollar with respect to the currencies of the European Community.

Greater Participation

In their meeting with Vice President Aureliano Chaves, the Caxias do Sul businessmen alternated in explaining how to deal with nine items, such as participation by the business class in the formulation of economic policy and the need for support of small and medium enterprise. After listening attentively to each complaint, Aureliano Chaves expressed his happiness "at feeling that the businessmen are closely watching and participating in the problems of the country with their own ideas, making criticisms and suggestions."

The vice president emphasized: "In the present picture of difficulties, there is the need for an exchange of information between the government and the people so that we may face the challenge of the present. Participation in the decisions by the government is necessary because the success of a community depends on a community effort. We understand that there is the need for those who govern to listen to the governed more and more."

In his opinion, "The great illness of this country is that in Brazil a person can be incompetent in the municipal and state areas but when he rises to the federal area, he becomes a superman."

After declaring that he understood the need for a greater participation by the business class in economic decisions, the vice president stressed that, on the other hand, the businessmen "have to understand that the play of the market is still a fiction and that we live under the aegis of administered prices. In this game the government has to be attentive to those who produce and those who consume."

Government Is Not Thinking of Using "Simonetas" [Simonsen]

Vice President Aureliano Chaves also emphasized that the National Energy Commission "is not considering the possibility of using the 'simonetas' [Simonsen gas ration card] as a means of rationing the consumption of gasoline because consumption is declining well and the amount of petroleum for refining is also decreasing, remaining at around 1.65 million barrels per day."

The statement was made in an interview after his visit to the stands of the Exhibit Fair of the National Grape Festival. Aureliano Chaves spent 3 hours visiting the stands, making it a point to enter practically all of them and talking with the exhibitors.

After the visit, the vice president was honored with a barbecue at the Rincon de Lealdade Rio Grande do Sul Tradition Center, which was also attended by the director-president of JORNAL DO BRASIL, Countess Pereira Carneiro.

National Alcohol Program

In his interview, Aureliano Chaves declared that the National Energy Commission is making an evaluation so as to watch over the changes in PETROBRAS [Brazilian Petroleum Corporation] stocks and the use of national energy sources to see whether the level of petroleum imports should be maintained at 750,000 barrels per day, which represented a total of 90 million barrels during the first 4 months of the year, "or to see whether there is the prospect of decreasing them, which naturally is of interest to the government."

According to him, of the 1.65 million barrels consumed in the country, 230,000 are produced nationally. On the National Alcohol Program, Aureliano Chaves said that production of 10.7 billion liters of alcohol in 1985 is foreseen, with production that year being around 3.6 billion liters. He also declared that 345 plans for independent and annexed distilleries have already been approved and at this time the number of independent distilleries represents 50 percent of approved alcohol production, which is 7.5 billion liters [Paragraph as published].

Elections

Questioned also on the prospects of the PDS [Social Democratic Party] in the 1982 elections, the vice president answered: "I believe the politicians who risk making a forecast naturally become candidates for making an error, since it is very difficult to make political forecasts. We are organizing our party in such a way that we shall enter elections with prospects of success."

A reporter asked him if he guaranteed the holding of direct elections in 1982 and the vice president then said: "Who am I to guarantee? I am a man who can only trust and believe." To another question about the benefits accruing to the PDS among the voters by the division of the opposition, he emphasized: "The people should not view the possible division of the adversary as a handicap in the fight we are facing. We have to strengthen ourselves, unite more and more and offer a message which will truly find a popular response. We have to do a work which coincides with the desires of the people so that there may be a positive response at the polls."

Visit

During the three hours he was in the pavilions of the Exhibit Fair, the vice president won several prizes and some exhibitors such as the president of Alianca Winegrowers, Bernardino Conte, asked him for a greater supervision by the government on the imports of wines, many times of poorer quality than the Brazilian product. After the visit he was honored by the municipal prefecture and by the organizers of the Grape Festival with a barbecue for 400 people at the Rincon de Lealdade.

Closing the Grape Festival, Aureliano Chaves, in an emotional speech from the table of honor, at which the director-president of JORNAL DO BRASIL, Countess Pereira Carneiro was sitting, Aureliano Chavez said: "While on the one hand society cannot ignore material development, it cannot fail to subordinate itself to greater values, which go beyond the material aspects of life. We Brazilians want a civilization marked by these values in which man will be able to exercise his spirit of brotherhood, since a society which is not one of brotherhood concludes by not being able to insure either equality or freedom."

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INFLATION WILL NOT CAUSE DEFEAT OF PDS, SAYS WELFARE MINISTER

Brasilia CORREIO BRAZILIENSE in Portuguese 8 Ma. p 20

[Interview with Minister of Welfare Jair Soares by Dario Macedo of CORREIO BRAZILIENSE; time, place and date not given]

[Text] Inflation is worrisome but it will not be a reason for preventing the victory of the PDS [Social Democratic Party] in 1982 because the government and the people have the means for overcoming it, declared Minister Jair Soares in an exclusive interview with CORREIO BRAZILIENSE. He does not believe that inflation could harm the political plan of President Figueiredo either.

The chief of the Ministry of Welfare and Social Security, advocates the idea that the PDS should seek to win over the vacillating voter and it must display its political and administrative work in order to face the elections of next year successfully. Declaring that elections are won at the polls, he cannot find any basis for the statements by opposition leaders who already claim victory in 1982. The minister espouses an idea: A war without quarter should be fought against waste and for this purpose all the Brazilian people should be mobilized. Jair Soares answers accusations that he uses the machinery of the ministry for political purposes; he speaks about his candidacy for the governorship of Rio Grande do Sul and believes that a regression in the process of a political opening will only happen "through the fault and incompetence of our politicians," adding that he believes in the success of the presidential plan.

Here is the interview:

Question: You, were elected a federal deputy from Rio Grande do Sul and held your office for just a short time because you were called to join the ministries of President Figueiredo. Even so, your appearances in Congress has been frequent and when the new president of the Chamber was elected, you were there. This behavior drew criticism from Deputy Ulysses Guimaraes, president of the PMDB [Brazilian Democratic Party Movement], who considered your presence at the plenary meeting of the Chamber "a strange thing." What can you tell us about that statement?

[Answer] Well, actually I assumed my seat in the Chamber in 1979 and remained there for 45 days. I had the chance to speak in a plenary session, including during the business hours reserved for the leaderships. I have behaved as I should as chief of the Ministry of Welfare and Social Security whenever there. I have attended Congress, primarily the Chamber of Deputies, and I do not see why the eminent colleague Deputy Ulysses Guimaraes is surprised at my presence there. I believe that it would be strange if a legislator, a politican such as I, member of the National Directorate of my party, who has gone there every 30 days, were not to be there at a decisive moment for the greatest project of the political opening of President Joao Figueiredo, when my party, in an election in which I participated as a member of Congress, overwhelmingly chose Deputy Nelson Marchezan to run for the presidency of the Chamber. I cannot understand why at a moment of opening the president of a party crticizes the political position of a politician. I go to the Chamber and I never felt any constraints, a contrary reaction. Moreover, I have received legislators from all the parties in my office and I have sought to find the solutions for their requirements with them, more and more improving the image of the Ministry of Welfare and Society Security itself.

[Question] An accusation that the more radical sectors of the opposition make of you is that of using the machinery of your office for political purposes. How do you deal with such accusations?

[Answer] I do not use that machinery. It is, to a certain point, a frivolous accusation because President Figueiredo gave his instructions for my ministry in the sense that it should act in as even-handed a manner as possible. Today, it is clear, we have not yet reached that but there is no type of discrimination here in attending to people nor in my own attitude. Now the positions of trust in the ministry are used by me. Persons I trust are appointed to them and there is no wrong procedure here because if that is wrong then those positions would not be left for the minister to fill them freely and they would be elective posts. Such a procedure has always existed. All those who were in charge placed trusted persons in those positions. I, for example, have already heeded the requests of all the parties in the best interests of providing service to the largest number of insured, which is our objective. It appears that what really worries them is that I act with the support of the Brazilian press. As I move around on my unannounced and announced visits, all this also creates a certain type of expectation and also brings positive results. I would say that because of this, at least as far as I know, public opinion has applauded me and because of publicity can generate some type of concern. I say this only to justify my type of action, which is no different, as those who know me in Rio Grande do Sul know, from that of my first day in public office before the revolution, after the revolution and now in this democratic period. This style has not changed. I am the same citizen who in a public, administrative and political post seeks to respond to expectations, particularly those of the one who entrusted me with the mission, President Joao Figueiredo.

[Question] What is the fascination that politics has for you?

[Answer] Perhaps politics is in my blood, since I have been in party politics since I was sixteen. To give you an example, I entered into politics through my father in the old PDS [Social Democratic Party], which was a dissident party over there in Rio Grande do Sul. It was led by Walter Perachi Barcelos. This was when I was 16 years-of-age and I entered the youth wing and I left it only (although my father became one of the founders of the PDC [Christian Democratic Party] when the PSD was abolished. Therefore, I am active in politics and I have the care to maintain an ideological line, a line which is even philosophical within that which I believe the party should exercise over its members, but primarily a proselytism should be exercised to look for our great merchandise, the undecided voter. If we stick to party regimentation we are going to find that we will not elect anybody (in the two parties generally). Our voters, the great mass of them, they are the ones who chose and they are not registered, they are not enrolled. I believe that politics is something which makes him who exercises it proud; it ennobles the public man, all those who practice it. Aristotle said that man exercises politics, makes politics. And even he who says that he is not active politically, although he may not be active in party politics, is politically active. I believe, therefore that it ennobles because to work for a public cause, to work for national aggrandizement, is the objective of all. And I believe that the opposition parties, and the party in power, seek an objective, which is to give the country full democracy and the ideal situation for developing, which all the people yearn for. I believe that this must be remembered: Paths are sometimes different but they are going to meet at a greater objective, the welfare of the Brazilian people."

[Question] How do you see President Figueiredo leading the process of opening and how do you stand with respect to that project?

[Answer] The president has been very bold in fulfilling the things he said he would do in his electoral campaign throughout the country and which he restated in his inauguration speech. It definitively marked--it sealed his democratic position, when he said that the project of political opening would be the objective to be reached during the course of his term of office. We see the project progressing--slowly for some--but for me at a suitable rate, considering the present situation because without tumult it progresses at an even pace. Thus we saw amnesty with the return of the Brazilians because as the president himself said: "The place for a Brazilian is in Brazil;" the party reorganization, and we are now even witnessing the opening in the election of Deputy Nelso. Marchesan, something the nation had not seen for a long time, that massive sharing, everyone, and the Chamber electing, playing the democratic game, choosing a parliamentarian, and, what is more interesting, because the people have to analyze everything, a deputy from the PDS is chosen by his party as well as another deputy, also from the PDS except he is a dissident. There the parties exercised their rights in a free environment and not even regimentation allowed any type of pressure something which was not observed there. I believe that it was an important moment for the president's project. Now, since I am positioned within the project, I must say that I consider myself a mere collaborator, of the less important ones, of President Figueiredo in this march he has begun and I give my very small contribution because coming from Rio Grande do Sul I do not yet have the experience of national politics. I am learning every day and I therefore expect to collaborate with greater intensity and make everyone believe in my willingness to help institute true democracy.

[Question] There is talk every now and then about the possibility of an impasse in the project of opening. Do you believe that we could arrive at a regression?

[Answer] Only if we are responsible for it, only if there is incompetence of the politicians; only if we were not capable, let us say, of intensifying our march, if we do not seek that dialog and find solutions for political problems. At this time the political problems are the main ones and they must be resolved. I do not believe that the politicians, those who have great responsibilities in national life, want a regression to take place. I believe they all want the political opening project, which has President Joao Figueiredo as its greatest guarantor, to be realized in its entirety.

[Question] The opposition boasts that it will win the 1982 elections, and your party, the PDS, says they are bluffing. As a man of the PDS do you see your party as being ready for the 1982 fight?

[Answer] An election is won at the polls, it is won with votes, with work, with organization; this being so, I do not see why, or based on what, the opposition, or rather the Brazilian oppositions, can say they will win office in 1982 when that event has not yet taken place. I believe in the vigor, in the strength of the PDS. It was the first party to organize, it was the first party in which its president and secretary general toured the entire country to make a preliminary report to the president of the republic and to the National Directorate itself in order to give an exact dimension of the Brazilian situation with respect to party life. I would even go as far as to say that any forecast on the 1982 elections is premature for every ereason. Look: last week in my state of Rio Grande do Sul, control of the assembly was clearly in the hands of the opposition parties. In the course of a little less than a week the situation was revers i. This does not mean that the opposition over there is still not united because the selection of the president was scheduled for next week, but the great truth is that with the plural party system within a healthy and democratic dialog, which all us politicians want, it can change the tenor of the opposition statement when it says that it will have the majority of state governments in 1982.

[Question] You have already been nominated as the successor to Governor Amaral de Souza. Do you expect to benefit from the differences existing between former Governor Leonel Brizola and Pedro Simon for winning the Rio Grande do Sul governorship?

[Answer] Listen, I believe that the strength of the PDS is conditioned to the division among the opposition parties because otherwise my previous answer would be prejudiced, would have no validity whatsoever. I believe that the PDS, if it were able to disseminate what has been accomplished, could benefit from it. I like to give the example: Last year we had Easter, Christmas, New Years and now the Carnival, and I want to point out one thing: In no case throughout national territory was there a lack of medical treatment. We put a plan into action that showed that Social Welfare is an agency which has its faults but which can be conditioned to win credit in public opinion. Now, if this were to become public knowledge--this and many other things within the sphere of other ministries--in such a way that the Brazilian voter can make a real choice, I believe that the PDS can be on equal footing and be a potential winner in 1982. Now, we cannot

expect things to happen simply in the process taking place in the country today. Everything has to be viewed in a different way than in previous years. We politicians have to go to listen to the hopes and demands and show what the government has done. This is the great role of the PDS and ours as politicians; we who are the true representatives of our people must be prepared to show what is happening. I read, for example, accusations made in the press in 1956. Among other things there were requests for two dispensaries, two lines at the hospitals and complaints about the low quality of the social medicine of the country and it was said that the local authorities were "electoral machines." I do not want to return to the past. What is important is that Brazilian social welfare, which is an instrument of politics par excellence, as it acts effectively in an administrative manner, in a way that gives security to the worker, has changed greatly in past years. In 1930 it took care of 20 percent of the Brazilian population. Today, in 1980, it takes care of 80 percent. They are figures, which if well used could lead us to victory, demonstrating to the generation of today that we are building the Brazil of tomorrow and also reminding them that this construction has a cost: Tucurui, Itaipu, the subways, Angra dos Reis, Tubarao, the steel railroad, in short, are investments which Brazil has to make.

[Question] Minister, inflation is frightening, is that not true? Do you accept that it could be an enemy of the PDS in the 1982 elections?

[Answer] I have been in politics for approximately 30 years. I am 46 years-of-age and I began at age 16. Obviously there were cyclical episodes of inflation in the country. However, I never, in the five state governments in which I took part, and now this one, never once did a government leader call me to his office and say: "Listen, there is too much money, what can we do with these surplus resources?" There are always difficulties. I see the young people of today, who are going to replace us, in that same position. They have to understand that we, the generation which is today administering the country, were able to overcome all obstacles, because administrating is a real race against difficulties. It is true that inflation at the levels at which it is today, if no measures were being taken, could have some negative effects in the 1982 elections. But I observe and know that the government of President Figueiredo, through the Secretariat of Planning, is taking a number of measures that will--I do not say they will reduce it to the levels we would all like--prevent it from reaching higher levels. We will be able to face the struggle with our opponents. Inflation is not the enemy of Brazil alone. It affects the entire world. In some countries such as ours, which is undergoing development, it is more serious, more grave. In countries which are already developed, as in the case of the United States and Japan, they also fight against great difficulties to hold the line on the cost of living, which obviously irritates the people. However, what I say and want to repeat is that we have a population which has the conditions for choosing its government leaders. Today, since they are instantaneous, the mass media, which watch everything, could give the example that the vote, which is the weapon of the people, which is awareness, is given to those who want to work for the benefit of the Brazilian people. Therefore, inflation, although it is worrisome, cannot prejudice the political opening process. All of us have to fight (but this is acquired through education) against waste. We are witnessing waste in all levels, in all sectors of Brazilian activity. We must fight this in every way as if it were a real war without quarter. All Brazilians of good will--and I believe all of them are--must be involved in helping our country.

6908
CSO: 3010

FEDERAL DEPUTIES REPORTED OPPOSED TO ELECTORAL REFORMS

Rio de Janeiro JORNAL DO BRASIL in Portuguese 15 Mar 81 p 8

[Article by Maria Ines Nassif: "Deputies Do Not Support Planalto Reforms"]

[Text] Brasilia--If the electoral legislation reforms suggested by the president of the republic in his recent message to congress depended on the free decision of the Chamber, it would not mean the adoption of the simple or mixed district vote in Brazil. Of 257 deputies polled in a JORNAL DO BRASIL survey (61.2 percent of the 420 in the Chamber), 197 advocated the maintenance of the proportional vote. However, 76.7 percent are against fundamental changes before the 1982 contest.

In the results, 57 percent of the 130 PDS [Social Democratic Party] deputies want the maintenance of the present system; 29 percent favor the district vote and only 9 percent want the majority vote, the so-called "distritao," whereby only those with the most votes from each party will be elected. The opposition members are almost unanimous: 96 percent advocate the maintenance of the proportional vote. Only one deputy from the PMDB [Brazilian Democratic Movement Party] and two from the PP [Popular Party] want to maintain the proportional vote, however, in case it is not possible to prevent changes in the system of voting, they consider the "distritao" the least prejudicial to opposition growth.

The Changes That Displease

It would not only be the voting system that would remain unchanged, according to the survey. Of the deputies polled, 84.8 percent would maintain authorization for party coalitions and only 13.3 percent would abolish them. This is a dominant preference, even in the government party. Seventy-two percent of the 130 deputies favor the continuation of coalitions.

Despite the total aversion to changes in the voting system, the great majority of legislators intend to make changes in legislation, which would mainly extend the periods of ineligibility of those who occupy executive positions and want to compete electorally for some legislative post.

It was made very clear, while taking the poll and by the answers given, that the legislators bear ill will against the secretaries of state who would almost all be candidates to the Chamber. In that hypothesis, the present governors' aides would compete with them under highly advantageous conditions, since they would have the state machinery in their respective areas of action behind them.

Within that reasoning, many of the deputies placed an "X" in the box on the ineligibility of secretaries (who leave their posts to become candidates) being extended from 4 months to one year.

For some of the more radical, such as Jorge Arbage (PDS) from Para and Paulo Studart (PDS) from Ceara, the secretaries should be disqualified. Moreover, Arbage believes all of them should be disqualified: Governors, prefects, secretaries of state and ministers. That idea would probably be well-accepted in the Congress as a whole. On Friday, a former deputy leader of the PDS said confidentially that if someone were to present a draft constitutional amendment in that respect, it could be approved.

That extension of the time period, however, would have doubtful effects, according to Deputy Antonio Mariz, deputy leader of the PP. He said that in the United States even the reelection to executive posts, including the presidency of the republic, is allowed.

Deputy Waldir Walter (PMDB-RJ) more or less agrees with the deputy leader of the PP: "What we should have," he declares, "is legislation punishing anyone holding an elective office who uses it to favor his renewed candidacy or the candidacy of his relatives." Complementary Law No 5 on ineligibilities, he said, believes beforehand that all the holders of posts are dishonest and for that reason must be made ineligible. What is worse, the relative of anyone holding an executive position cannot run for anything. The cases of abuse of government office have to be an exception. However, Complementary Law No 5 treats them as a general rule. This is to say nothing of its other provisions which prohibit candidacies, namely those who oppose the government, as is the case of Lula. However, 54.5 percent of the deputies polled expressed the opinion that the secretaries would have to be disqualified themselves from their posts one year before the election instead of 4 months.

The other changes suggested by the majority of the legislators are very different from those proposed by the government. In 1982 the Falcao Law would be completely abolished, the parties would be free from the subslates for prefects and senators and from the requirement to obtain 5 percent of the total votes in the country in an election for the Chamber of Deputies and 3 percent in each of the nine states in order to receive authorization to function.

Disqualification

The extension of periods of disqualification for the holders of executive posts, who intend to compete for legislative posts in 1982, according to the secretary general of the PDS himself, will be the big fight in the party in government, which is carefully preparing the ground for future changes in the rules of the game through the creation of a committee which will begin to operate soon.

The adversaries considered less dangerous did not escape the ire of the polled legislators either: 43.6 percent want a period of one year disqualification of the prefects, period which is now 4 months; 51 percent want an extension of the stipulated time for governors, and ministers, and according to 49.4 percent, they would have to leave their posts one year before 15 November instead of 6 months.

The increase and standardization of those periods is a demand by deputies of all parties. Deputy Alberico Cordeiro (PDS-AL) resubmitted a bill at the beginning of the year proposing periods of disqualification of one year for the posts. He himself said that it is very unlikely that the government would agree with the proposal. Negotiations with the minister-chief of the Military Household, General Golbery do Couto e Silva, managed to standardize in 6 months only the periods for prefects, secretaries of state and ministers, which means extending only the periods for secretaries and prefects. There would be resistance from the palace area to the extension of disqualification periods for state governors.

Electoral Rules

Despite almost solid resistance to the reform of the proportional vote system, 29 percent of the PDS are already thinking of the adoption of the district vote. Of the 38 who prefer that system, 78 percent favor the mixed district vote and only 12 percent the simple system.

Only one, Deputy Carlos Chiarelli of Rio Grande do Sul, despite the fact that he considers the mixed district system the most democratic, prefers the debate to be held after 1982. Another, Deputy Bonifacio Andrada, prefers the district vote along the pattern of that which existed in the Second Empire, where more than one candidate was selected in each district.

Few prefer the "distritao": 9 percent of those polled and only 9 percent of the PDS deputies. The only opposition member who chose the "distritao" without reservations was Deputy Edson Vidigal (PP-MA), whose vote is only .8 percent of the total of the opposition parties legislators polled.

Sublegs

The sublegs, in the opinion of 59.5 percent of the deputies, would be abolished in elections for prefects and senators and not extended to elections for governors. In exchange, 34.9 percent would keep them at present levels and would also [illegible] elections for governors.

[illegible] 4.6 percent, preferred to maintain the present sublegs without changing them. One point [illegible] percent want them to remain for prefects only. [illegible] deputies, 1.2 percent, want to extend them to governors and do not [illegible] prefects and senators. One from the [illegible] sovereign decision of the regional [illegible]

While the number of supporters of the suhalate is not significant in its total, it is with respect to the PDS deputies. While only 33.8 percent of the PDS deputies prefer to abolish them and not extend them, 47.6 percent want to maintain them and extend them to the elections for governors of the states. Nearly 11.5 percent of the PDS deputies prefer that the present system not be changed in any way.

Binding of Votes

The binding of votes does not please the majority of the occupants of seats in the Chamber of Deputies. The poll showed that 58 percent, in addition to not agreeing with the total binding of votes in the upcoming elections--and therefore with mandatory votes for federal and state deputies, prefects, councilmen and governors from the same party--they would maintain the existing binding of votes for federal and state deputies. An also significant number, 27 percent of those polled, would maintain the binding of votes for state and federal deputies but would not extend it to other levels of the election.

Only 13.7 percent favor the total binding of votes. The number is not so significant if compared to the total of those polled. However, it acquires greater significance with respect to the number of PDS deputies: 20.7 percent of the 130 deputies would adopt it at all levels.

The maintenance of the present binding of votes for state and federal deputies, also received significant suppo t from the deputies of the PMDB. Of the 78 polled, 23 want it to remain, although they did not agree with a total binding of votes.

Parties

According to the majority of the legislators polled, the parties would have their activities facilitated in the 1982 elections. To begin with, the Falcao Law would be completely revoked with only the disapproval of seven PDS legislators, which is 2.7 percent of the total. According to 11.7 percent of the deputies, it would be maintained but with changes.

The maintenance of coalitions obtained almost a unanimity of opinion: 84.8 percent believe they should be maintained, against 13.3 percent who preferred their prohibition. Ninety percent of those who want to ban them belong to the PDS and comprise 25.3 percent of the polled members of the government party in the Chamber. Only one PMDB legislator wants coalitions to be banned and 1.9 percent of all those polled did not have an opinion.

Despite the fact that opinions are divided as to whether or not the parties must mandatorily obtain 5 percent of the votes in the entire country in the last elections for federal deputies and 3 percent of the votes in nine states, the majority (50.2 percent) wants to revoke this constitutional provision.

The great majority (65.3 percent) of the PDS members of the Chamber want the requirement to continue in existence. Surprisingly, a significant number of those polled in the PMDB (32 percent) would retain the provision as would 33 percent of the PP members of the Chamber.

Ulysses Prefers Not to Commit Himself

Some 420 questionnaires with 13 questions were delivered to the offices of deputies and to the majority of deputies personally.

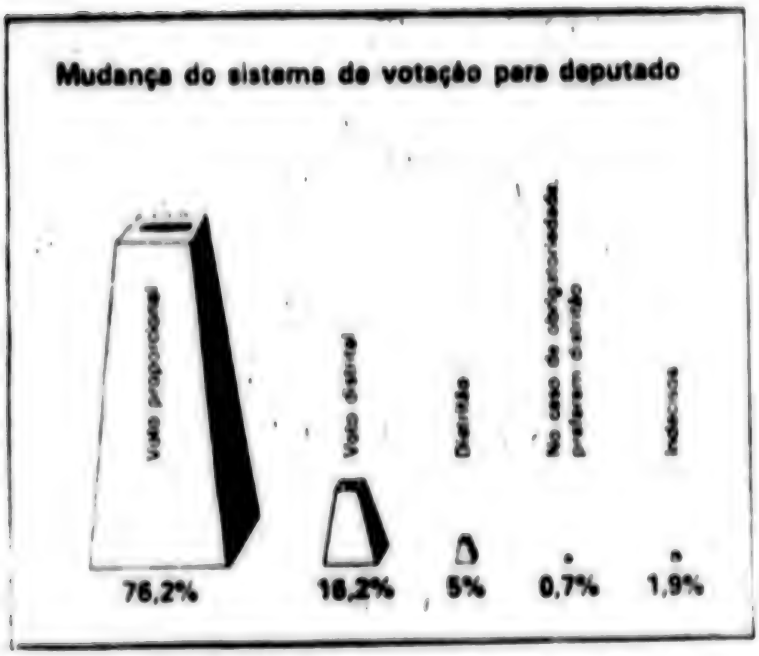
Of those polled, only the president of the PMDB, Deputy Ulysses Guimaraes (SP) and the president of the PDS of Minas Gerais, Bias Fortes, formally refused to answer the questions.

The former restricted himself to reading them out loud and saying that he was not accustomed to participating in polls like that one. The second did not go as far as receiving the reporter. He kept the questions and sent the secretary to say that he had nothing to say.

The PDS leader, however, Cantidio Sampaio, courteously agreed to fill out a questionnaire but subsequently sent for another reporter from JORNAL DO BRASIL and made a courteous request that his name not be directly associated with the answers he would give. He argued that he had expressed his personal opinion, as he had disclaimed initially, however, he thought it over and perceived that it would be difficult to disassociate Deputy Cantidio from the government party leader, and he would prefer to avoid questioning.

The survey allowed the legislator to remain unknown, it being only necessary that he indicate his party. Other deputies did not fill out the questionnaire because they were absent from Brasilia and some argued that they did not have time. Many asked "to study it later."

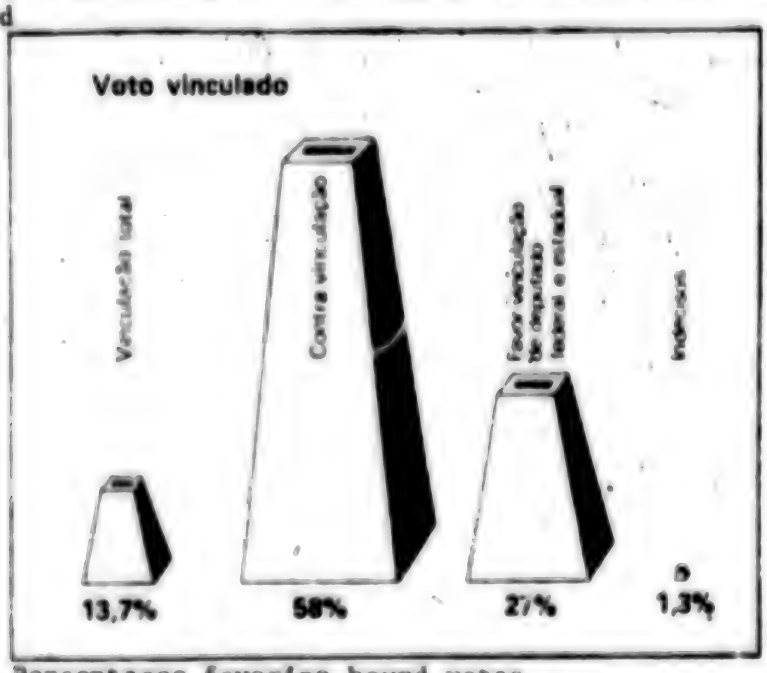
The former and present presidents of the Chamber, Flavio Marcilio and Nelson Marchezan, had no problems answering the questionnaire.



Percentages of those favoring a change in the system of voting for deputy

Key:

1. Proportional vote
2. District vote
3. "Distritao"
4. In case of a mandatory choice, they prefer "distritao"
5. Undecided



Percentages favoring bound votes

[Key on following page]

Key:

1. Complete binding
2. Against bound votes
3. Favoring bound votes for federal and state deputies
4. Undecided

Answers to Questions by Deputies According to Party Affiliation

District vote

In favor of maintaining the proportional vote system

PDS	74
PMDB	75
PDT	7
PP	31
No party affiliation	3
PTB [Brazilian Labor Party]	2
PT [Workers Party]	4
Total	196

Percentage in favor 76.2 percent

In favor of district vote

PDS	38
PMDB	1
PDT [Democratic Workers Party]	0
PP	2
PTB	0
Total	41

Percentage in favor 16.2 percent

In favor of the "distritao"

PDS	12
PMDB	0
PP	1
PDT	0
PT	0
PTB	0
Total	13

Percentage of those polled: 5 percent

In case of mandatory change those favoring "distritao"

PMDB	2
Total	2

Percentage: .7 percent

No response

PDS	5
Total	5

Percentage: 1.9 percent

Binding of Votes

Those in favor of total binding	
PDS	27
PMDB	2
PP	3
PDT	1
PT	0
PTB	0
No party affiliation	2
Total	35

Percentage of those polled: 13.7 percent

Against any type of binding	
PDS	55
PMDB	57
PP	27
PDT	5
PT	4
No party affiliation	1
Total	149

Percentage against: 58

Against total binding but in favor of binding the vote in the election of state and federal deputies

PDS	46
PMDB	18
PP	3
PDT	1
PT	0
PTB	1
Total	69

Percentage in favor: 27 percent

No response

PDS	2
PMDB	1
Total	3

Percentage: 1.3 percent

Party Coalitions

Those in favor of maintaining coalitions

PDS	94
PMDB	76
PP	32
PDT	7
PT	4
PTB	2
No party affiliation	3
Total	218

Percentage in favor: 84.8 percent

Against Coalitions

PDS	33
PMDB	1
PP	0
PDT	0
PT	0
PTB	0
Total	34

Percentage against: 13.3 percent

No opinion

PDS	3
PMDB	1
PP	1
Total	5

Percentage: 1.9 percent

8908
CSO: 3001

ENGESA SEEKS BUYERS FOR ARMORED VEHICLES

Rio de Janeiro JORNAL DO BRASIL in Portuguese 15 Mar 81 p 32

[Text] Sao Paulo--An Urutu with a 90mm cannon, which provides greater firepower, and constant innovations in the other models, the Jararaca and Cascavel, are attractions of the ENGESA (Specialized Engineers, Inc) for the international armament market in 1981, in addition to its trucks with special drives also developed in its laboratories. ENGESA will not bring out any new models of wheeled armored vehicles because it believes that the Cascavel, Jararaca and Urutu are playing their roles very well on the foreign market.

Of the armament exports made by Brazil in 1980, nearly $500 million at least 70 percent, was attributed to ENGESA. Being of the opinion that you "should not make any changes in a winning team," the company will maintain the Cascavel, Jararaca and the Urutu. That position is not one of taking the easy way, since it continues to test new equipment and new technologies for the present models.

Signing

The contract for providing technology for the production of armored vehicles to ENGESA by Bell Aerospace Textron of the United States should be signed next June. Moreover, the use of rubber-tired armored vehicles built by ENGESA by the U.S. Army is under study. The company will also participate in the bidding for that purpose and in China, its armored vehicles are on permanent exhibit and another order may be made shortly. It is hard to find a country in Latin America that does not have ENGESA-built armored vehicles in its army.

With the success of ENGESA, other companies awakened to the market for armored vehicles on wheels and today foreign competition is intense. The Urutu, for example, has to face the following vehicles which appeared after its success: The Arrowpoint Dragon 300 (USA), the Cadillac Gage-V-150-D-Command (USA), the Saviem (France), and the Piranha (Switzerland). Moreover, the last mentioned name is confused, perhaps purposely, with the names used by ENGESA, such as Jararaca, Irutu and Cascavel

The MARINE CORPS for last December says: "The exceptional success in exports of the Cascavel made of Brazil the greatest producer of armored vehicles on wheels in the West in the past decade."

In the Middle East, in addition to Iraq, Libya and Saudi Arabia are customers of ENGESA. New contracts are about to be signed, but that has not been revealed by ENGESA management. However, consultations are made every day through Itamaraty for the purchase of armored vehicles from the company, which has a BEFIEX [Commission for the Concession of Fiscal Benefits to Special Export Programs] program for $1.6 billion in exports.

The Urutu EE-11

It is an amphibious vehicle which can be fitted optionally with a turret with a 90 mm cannon; a turret with a mortar launcher and an automatic 20mm machinegun or missile launching ramps. It has a maximum speed of 95 kilometers per hour in the army model and in water it can reach speeds of two kilometers per hour. In the Navy model, it has speeds of up to eight kilometers per hour. Its motor is a Mercedes-Benz Diesel. The electric system is 12 volts for its operation and 24 volts for the equipment. The vehicle costs between $250,000 and $300,000.

The Cascavel, also equipped with a 90mm-cannon is the most sold armored vehicle of the West. Its motor is also a Mercedes-Benz and among its main weapons are powerful high explosive charges, antitank explosives, smoke generator and other devices, in addition to a flamethrower (manual or electric). It can have an antiaircraft machinegun and its velocity is 100 kilometers per hour. The price of the Cascavel ranges from $350,000 to $500,000. The Jararaca is a reconnaissance vehicle with a Mercedes-Benz motor and a speed of 110 kilometers per hour. A Jararaca can cost between $90,000 and $140,000.

8908
CSO: 3001

AMNESTY BILL PASSED, M-19 REACTS IT

Bill Terms, Text Given

Bogota EL TIEMPO in Spanish 9 May 81 pp 1-A, 16-A

[Article by EL TIEMPO staff writer Pablo Castro]

[Text] Last night Colombia took a step towards restoring institutional normalcy as the Senate passed a bill granting conditional amnesty to some 1,000 guerrillas by a vote of 34 to 10.

If the guerrillas turn themselves in, the government will lift martial law, which has been in effect since July 1978, when then President Alfonso Lopez Michelsen decreed it in connection with an ECOPETROL [Colombian Petroleum Enterprise] workers strike that caused a breach of the peace.

Government Minister Co-mun Jos Hernandez has offered to engage in a rapprochement with guerrilla groups, but last night the 19 April Movement reiterated in a clandestine communique to EL TIEMPO that because this is not a general amnesty it would not avail itself of it and would therefore continue its armed activities.

The amnesty bill, which was heatedly debated and which underwent some substantive amendments in the House of Representatives, was passed by an overwhelming majority last night in the Senate. Nevertheless, seven of the senators voting against it wanted the reasons for their vote placed in the official minutes.

Three other no votes were recorded in the secret Senate balloting.

Voting against the bill were Liberals Jaime Castro, Jaime Vidal Perdomo, Rodrigo Lara Bonilla, Roberto Arenas Bonilla and Luis Carlos Galan; Communist Alberto Cristes de La Rosa, and Independent Conservative J. Emilio Valderrama.

After the bill had been passed, the government minister, visibly moved, said that on behalf of the president of the republic "I would like to thank the Senate for passing the amnesty bill. The administration feels that the Senate has acted on this historic occasion with great understanding and patriotic spirit.

"And as to the administration, I can assure the Senate and the country that this law will be enforced as well as possible to achieve the ultimate goals at which it aims, that is to say, security and peace for Colombians."

The amnesty bill will be submitted to the president today for his approval, which has been announced for this weekend.

Amendments Defeated

In a show of political discipline, the Senate defeated a number of amendments that Communist Cristino de La Rosa had proposed for Articles 1, 2 and 11. The same senator also suggested the deletion of Articles 6 and 7 of the bill because he felt they were unnecessary and merely bureaucratic red tape.

According to the president of the Senate, Jose Ignacio Diaz-Granados, those against the amendments would use black ballots, and those for them, white ballots.

While the ballots were being distributed, Senator Cristino de La Rosa predicted that there would not be enough black ones, which turned out to be the case, inasmuch as there were 30 of them and about 90 were needed.

While the 104 Senators present at the plenary session had a laugh over this development, Diaz-Granados explained what had happened and ordered the vote to be taken on slips of paper, which were quickly distributed.

Liberal Jaime Posada and Christian Rodrigo Lloreda were designated vote tellers, and the latter reported the result of 96 against and 8 for the amendments, with one blank ballot.

Once Cristino de La Rosa's amendments were defeated, the Senate proceeded to vote on the bill as submitted by the House and without any amendments. Liberal Carlos Lemos Simmonds and Alvarist Jaime Pava Navarro were chosen as vote tellers.

Liberal Jaime Castro explained that his no vote on the amnesty bill was because of Articles 3, 9, 11 and 12. The bill was voted on as a whole, however, not in sections, as some lawmakers had suggested.

Diaz-Granados noted that in this case the white ballots would indicate a yes vote on the bill and the black ballots a no vote.

The sponsor of the amnesty bill, Carlos Holmes Trujillo, went on record, "for the history of the bill," and discussed a number of remarks that Communist Senator Cristino de La Rosa had made about it.

Holmes Trujillo said that Cristino de La Rosa's assertion that approval of the bill would constitute a servile submission by the Legislature to a dictatorial, encroaching Executive Branch, was completely untrue.

He indicated that the Executive Branch, the Legislature and the Judiciary are merely branches of the same government and must work together harmoniously to accomplish the goals of the State, as stipulated in Article 55 of the constitution. "If the constitution, pursuant to the most elementary principles of constitutional law, assigns responsibility for keeping the peace to the administration and not to Congress, then it is perfectly natural that in accordance with the standard of harmony in the workings of the branches of government, the administration's opinions are heeded, because any other course of conduct would imply interfering with its policy to keep the peace and issuing statutes that might hinder the restoration of peace or, what is even worse, help to disturb it," Holmes Trujillo stated.

He recalled that Cristina de la Roca had also asserted that a really effective statute would have decreed an immediate, general, automatic and unconditional amnesty that would take universal effect upon enactment.

"We need only look around us at the agitation and alarm in many areas of our country to realize that a gradual approach with a suspensive condition was the wisest path to choose, so as not to hurl the country into an adventure whose results could be the opposite of those sought under the conditional amnesty," he pointed out.

He regarded as respectable the statements of skepticism that several legislators voiced concerning how effective the law will be in practice and said that its enactment ought to represent a step towards the creation of the climate of trust that is needed for those who have taken up arms to feel secure that they are not going to be treated abusively.

"If government and political party action creates this climate, the guerrillas and terrorists will be able to take a calm look at the prospects of peace that the government is offering them," he explained.

"However, when some people systematically try to create mistrust among the guerrillas as well as strong fears and misgivings about the good faith with which the law will be enforced, they are merely contributing, involuntarily if you wish, but contributing nonetheless, to perpetuating the internal upheavals jolting the republic," he added.

Holmes Trujillo went on to say that the State cannot abandon the duties that the constitution assigns to it while waiting for Colombian society's age-old problems to fade away into a paradise of comprehensive development and public contentment.

He made this remark in response to a gloomy analysis of the country's economic and social situation that Liberal Rodrigo Lara Bonilla made during debate on the amnesty bill.

Five Liberals

The members of the First Commission, Vidal Perdomo, Castro Castro and Lara Bonilla, joined by Roberto Arenas and Luis Carlos Galan, had their remarks explaining their no votes placed in the minutes.

"There is no greater political and social asset in the life of the State than the public peace," they stated yesterday in their official remarks, in which they also express alarm at public problems not being resolved through legal channels.

They said that they feared that instead of arguing ideas, armed action would be taken and that the government would have to invest enormous amounts of money in tools of repression, money that could be allocated to social betterment programs.

"We cannot ignore, however, that the erosion of political parties, the consolidation of fascism, the narrowing of democratic options, widespread mistrust and the wave of corruption sweeping the country have prompted despair in a great many Colombians, who have lost faith in democratic solutions aimed at the collective welfare," they added.

They pointed out that the government must take measures to restore public trust, contending, however, that "we cannot see them on the political horizon."

They stated that the requests for a surrender of arms, without the prior dialog that has existed on previous occasions, "makes the government proposal look like an abrupt, insufficiently explained turnabout, like a change of course after the same government utilized the toughest tools to combat the people to whom it is now offering peace, to the extent that it has been denounced by an international organization that is a respectable champion of human rights," they noted.

The five Liberal senators argued that without a climate in which the amnesty law can really work, it could be regarded as an attempt to enhance the country's tattered image abroad in this connection rather than as a starting point for a lasting peace.

"This is why there is a general climate of skepticism surrounding the passage of the law. If there is a meager response to the law's good intentions, then the country will have wasted a valuable opportunity and instrument for restoring the peace in areas afflicted with violence and crime, and the next administration will have difficulties in again applying the same unavailing remedy. We have therefore voiced misgivings and expressed reservations about the procedure that has been adopted for the amnesty and about the timing in decreeing it," they noted.

They also made two legal observations regarding the arrangement of the articles and the system that the government is utilizing to offer the amnesty.

J. Emilio Valderrama

Independent Senator J. Emilio Valderrama produced the surprise of the night when he made vigorous remarks for the record against the amnesty bill, after noting that he has voted on all government bills in a spirit of patriotism to help develop policies that are beneficial to society.

J. Emilio Valderrama confessed that he had thought about voting for the amnesty bill, in the belief that in so doing he would again be rendering a service to his country. He went on to say, however, that when he stopped to analyze, dispassionately and without any sectarian bias, what has been going on in his department, specifically in Medellin, "I felt morally constrained from voting yes on the bill."

He mentioned a recent study by the Medellin Chamber of Commerce on malnutrition among children and said that the government has been turning a deaf ear and a blind eye to the country's widespread grievances.

In conclusion, the senator from Antioquia quoted some of the figures in the study, for example, that 103,000 persons are walking around Medellin without jobs, that 75 percent of school-age children are malnourished and that in the Aburra Valley there is a shortage of 106,000 housing units for 600,000 persons.

"These are just some of the alarming figures in the Medellin Chamber of Commerce study, and in analyzing them I have come to the conclusion that a mere amnesty law will be of no use in counteracting the subversion that stems basically from injustice and from the government's negligence or indifference in taking care of these sectors on a priority basis."

Text of the Law

The following is the definitive text of Bill No 1 of 1980, which was passed last night by the Senate:

Bill Number 1 of 1980, Declaring a Conditional Amnesty

The Congress of Colombia hereby decrees:

Article 1. Amnesty is hereby granted to Colombians who perpetrated or participated in actions constituting rebellion, sedition or mutiny, as well as crimes linked to the above, before this law went into effect.

The amnesty does not apply to cases in which the crimes of rebellion, sedition or mutiny were linked to kidnapings, extortion, homicide not during combat, arson, the poisoning of sources or tanks of water and, in general, savage or barbarous acts.

Article 2. The pardon referred to in the previous article shall be granted within 4 months following the effective date of this law to those who have taken up arms. Once this deadline has expired, and as long as the conditions stipulated in Article 11 are met, requests for amnesty shall be processed for those individuals who are under arrest or have been sentenced for rebellion, sedition, mutiny and related crimes, barring the exceptions mentioned in Paragraph 2 of Article 1.

Article 3. An individual seeking to avail himself of the amnesty shall come before any political, judicial, military, diplomatic or consular authority

within 4 months after the effective date of this law and surrender any weapons, ammunition and explosives in his possession, expressly and personally stating that he has ceased participating in the punishable acts referred to in the previous articles.

Article 4. Those who request amnesty cannot be imprisoned nor can their person be mistreated or their effects tampered with on account of the crimes dealt with in this law, during the processing time for the amnesty request. Any official involved in such acts shall be guilty of the crime of arbitrary arrest or abuse of authority, as the case may be, shall lose his position and be fined between 10,000 and 20,000 pesos.

Article 5. An official to whom a person requesting amnesty presents himself shall draw up a document containing no less than the following information:

1) The first and last names and nicknames, if any, of the petitioner; address, and verification of the identification document presented.

2) Statement concerning his involvement in the acts referred to in this law, information regarding the judicial proceedings against him, if any, and his desire to resume life in society.

3) A list of the weapons, ammunition and explosives surrendered.

The document shall be signed by the parties, and the petitioner's fingerprints shall be taken. He shall indicate his choice of a place of residence and receive a certification of his appearance and of the initiation of amnesty proceedings.

Article 6. Within 5 days following the signing of the document, it shall be sent to the appropriate governor, intendant or police commissioner.

Article 7. Within 10 days from the effective date of this law, the officials who are trying the cases connected with the crimes referred to in Article 1 shall send a list of the individuals involved in these trials to the governors, intendants and police commissioners.

Based on the reports received by the officials mentioned in the previous paragraph, the governor, intendant or police commissioner shall send the documentation to the appropriate official within 10 days after receiving it.

If he concludes, based on the reports received, that no legal proceedings are under way, he shall refer the matter to the Superior Court of the appropriate Judicial District.

Article 8. If legal proceedings are under way, once the documentation has been received, the presiding judge shall directly decide on the amnesty request within the following 15 days.

Article 9. If no legal proceedings are under way, the amnesty request shall by ruled on by the Superior Court of the corresponding Judicial District.

Once the documentation has been received, the Superior Court, acting through the Criminal Verdicts Division, shall directly grant the amnesty. The trial judge shall have 3 days to submit a provisional ruling, and the division shall have 2 days to render its decision.

The verdict shall become final and conclusive upon pronouncement.

Article 10. An amnesty request submitted to a diplomatic or consular official shall be referred to the Foreign Relations Ministry, which in turn shall forward it to the Government Ministry, which shall conduct the investigations as to whether or not legal proceedings are under way. If they are, the request shall be forwarded to the official in charge.

If no legal proceedings are under way, the request shall be forwarded to the Superior Court of the Bogota Judicial District.

Article 11. Amnesty is hereby extended to Colombians who are under arrest or on trial for or have been convicted of the crimes of rebellion, sedition or mutiny and crimes related thereto, with the exception of the crimes specified in Paragraph 2 of Article 1.

Once the time limit specified in Article 2 has expired and depending on whether this law has been conducive to the restoration of the peace, the government shall order proceedings initiated for granting amnesty to individuals under arrest, on trial or convicted, who must formulate their requests within the following 2 months.

Article 12. The requests for amnesty referred to in the preceding article shall be ruled on by the trial judge within 10 days after they are submitted.

A ruling denying an amnesty request shall be subject to appeal by the accused, by his attorney or by the representative of the Public Ministry. If no appeal is filed, the ruling shall be reviewed.

Article 13. A copy of a ruling granting amnesty shall be furnished personally to the beneficiary.

Article 14. A ruling granting amnesty shall be regarded as res judicata.

Article 15. Officials who fail to abide by the terms of this law shall be regarded as guilty of misconduct, which does not preclude any applicable criminal proceedings.

Article 16. This law is in effect from the date of its enactment.

M-19 Rejects Offer

Bogota EL TIEMPO in Spanish 6 Mar 81 p 9-A

[Text] Most of the people accused of belonging to the M-19 who are being held at the "La Picota" Jail rejected the amnesty offer approved last Wednesday night by the Senate. Only a few expressed their intention to avail themselves of the law.

EL TIEMPO took a poll during the recess at yesterday's session of the oral court-martial of the subversive group. Of the 15 individuals questioned, 12 said that they would not ask for amnesty, and 3 said they would.

The poll yielded this information:

Israel Santamaria, member of the National Directorate: "The M-19 categorically rejects Mr Camacho Leyva's amnesty. We have said time and again that this is a ploy to secure the unconditional surrender of the armed movement and to unleash a ruthless war on the democratic people's movement. We will respond to this declaration of war by battling harder and building the people's army."

Carlos Duplat Sanjuan: "What the administration has submitted and the Congress passed is a surrender law. We cannot avail ourselves of such a law, which we consider a snare."

Jorge Basto Prada simply answered "Yes."

Roberto Sabogal: "The M-19 does not accept Mr Turbay's amnesty because it is a humiliating surrender for revolutionaries. Basically, however, we do not accept it because the conditions of hunger and poverty are still with us."

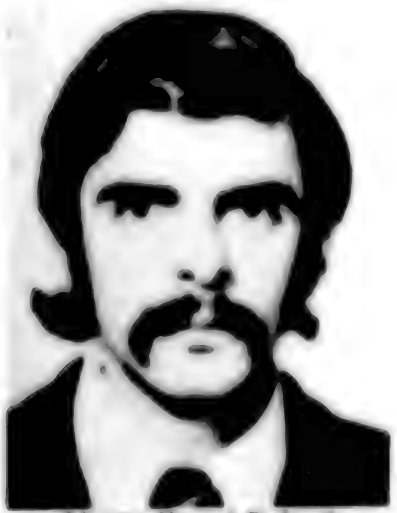
Luis Jaime Perea R.: "I will not claim amnesty because this is a bill of surrender that the government has hurled at the country's politico-military revolutionary movements and because it does not bring the people any benefits."

Jaime Montanez Florez: "The Colombian people, who do not enjoy democracy and social justice, are the ones who need amnesty. On account of the way in which it has been offered, the amnesty will not have any effect. The bad part is that they are playing a card that they are going to need later on. If it were wideranging and generous, we could accept it."

German Alarcon Bedoya: He said he would ask for amnesty and made no further remarks.

Augusto Lara Sanchez: "Mr Turbay's bill is proof of what the government wants for the Colombian people. No revolutionary will fall into the trap of so-called amnesty."

Gerardo Ardila Serreno, member of the Executive Committee of the Colombian Teachers Federation (FECODE): "We told the country on one occasion what our understanding of an amnesty was: that it was not just releasing political prisoners from jail, but basically it had to lay the groundwork for a return to democracy in the country. What Congress passed yesterday is merely a caricature of what a general, unconditional amnesty could be."



Alvaro Fayad Delgado

Alvaro Fayad: "The law proposed by Camacho Leyva and passed by Congress is a big hoax to deceive public opinion. We in the M-19, through our commander, Jaime Bateman Cayon, have proposed peaceful paths and political solutions and options to loosen up this restricted democracy somewhat. We will not surrender. On the contrary, we are building a liberating, nationalist army of the masses to take power and establish a true democracy. In a nutshell, rifles are our candidates."

Martin Ballesteros Robles said that he would.

Martha E. Botero: "I will not accept the amnesty that the regime has proposed because it is a false amnesty. It is just what we political prisoners have called it: a big hoax that guarantees neither democracy nor freedom for our homeland."

Carlos Pizarro Leon-Gomez: "The M-19 does not and will not accept the amnesty that, to our nation's shame, has been approved by a Congress that yields to General Camacho Leyva's pressures. The country will not find either the peace or the justice that we need today by taking the path of the government's amnesty. The minister has already said it all in his statements to the press: either the guerrillas surrender or we will wipe them out. What the amnesty law is after is the surrender of those who have taken up arms."

Two other defendants, who did not reveal their names, said that they were opposed to the amnesty.

8743
CSO: 3010

GOVERNMENT, BANKS SET LOWER INTEREST RATES

Bogota EL SIGLO in Spanish 10 Mar 81 pp 1, 16

[Article by Raul Rodriguez P.]

[Text] Finance Minister Eduardo Wiesner Duran, representing the Federal Government, and leaders of the financial sector yesterday signed an agreement lowering the interest rates that banks and financial institutions pay on deposits, as well as the interest rates they charge on loans. Both the government and the private sector described this agreement as the first real step in the coordinated policy that various economic sectors in the country have been recommending.

In a ceremony at the Bank of the Republic, representatives of banks and financial institutions handed over to the authorities the agreement they had signed on lowering interest rates, which the Colombian Banking Association has promised to monitor.

According to the statement signed by the main financial institutions, the following are the new interest rates that took effect yesterday:

--The maximum interest rate on certificates of time deposit or any other deposit instrument available to banks, financial institutions or savings and housing institutions will be a nominal 29 percent a year, payable a quarter in advance. The understanding is that the rate cannot be changed by means of any arrangement, such as, for example, discounting commissions or indirect payment of withholding at the source. In other words, the yield for depositors cannot be higher than the aforementioned rate.

--The following agreement was reached on loan interest rates: as of yesterday, the maximum interest rate on regular, short-term bank loans that have not fallen due, for new transactions, extensions and renewals, will be 34 percent, with interest charged a quarter in advance. The understanding is that commissions or other surcharges that in practice would be tantamount to a higher rate will not be charged.

--Within 60 days, in other words 10 May, the maximum interest rate on regular bank loans will be 32 percent, 4 points [sic] lower than the rate that took effect yesterday.

--The promotion loans awarded by the banks and financial institutions and rediscounted through the funds administered by the Bank of the Republic will carry the interest rate that the Monetary Board has set for this purpose.

The Banking Association has pledged to submit periodic reports to the signers of the agreement on the fulfillment of its provisions and will request explanations as to why they might not have been observed.

Higher Production and More Jobs

Speaking with newsmen, Finance Minister Eduardo Wiesner Duran said that this agreement is an example of the policy to coordinate with the private sector that President Turbay Ayala's administration is engaged in, adding that with the drop in the cost of money, higher production rates and more job opportunities are expected.

At the same time, he announced that the agreement among the leaders of the financial sector would be complemenetd by a series of measures that the Monetary Board would issue over the next few days, measures designed to boost bank liquidity.

"Financing costs are going to have less relative importance in production processes, which will enable us to boost production and create new job opportunities," Wiesner Duran stated.

"In underscoring the far-reaching importance of this major agreement for the country's future economic development," he added, "the government would like to praise the extremely cordial manner in which these contacts unfolded and the constructive way in which the financial institutions responded to the monetary authorities' appeal, whose successful outcome we should all be especially pleased at."

Market Normalization

The executives who signed the pact acknowledged the importance of the measures that the government took in February and September 1980. These measures enabled a greater amount of financial resources to be channeled into the intermediaries under state control, and the results have been tangible, as the institutional system now enjoys greater liquidity.

The document points out that a lowering of interest rates is good for the national economy because it will stimulate production and help to dampen the rate of price increases. It goes on to say that measures such as legal reserve requirements, certificates of time deposit, compulsory investment and these new interest rates are gradually normalizing the money market and cutting the costs of savings and borrowing.

The agreement was signed by the Commerce Bank of Bogota, the Commerce Bank of Antioquia, the Colombian Industrial Bank, the Workers Bank, the Real de Colombia Royal Bank, the Caldas Bank, the Coffee Growers Bank, the People's Bank, the Livestock Bank, the Farm Bank, the Bankers Association and several institutions such as Davivienda, Colpatria, Financaldas, Cofinorte and others.

LEGAL CLARIFICATIONS ON VIOLATIONS OF WORK DISCIPLINE

Havana TRABAJADORES in Spanish 8 Jan 81 p 5

[Text] Decree Law No 11 of 1977 in Paragraph 10 of Article 2 establishes violations of work discipline as: "The commision of any offense or infraction in the work center or in the course "of performing a job."

The problem before the Supreme People's Tribunal is whether or not it can consider and, therefore, discipline a worker if he violates said law when not in the course of performing his duties, that is, if he commits the offense or infraction at the work center during his free time.

To clear up the above, the Governmental Council of the Supreme People's Tribunal issued ruling No 114, which reads:

Paragraph 10 of Article 2 of Decree Law No 11 is not limited to considering as a violation of labor discipline an offense committed in the course of performing a job, but rather expressly considers such a violation to be--without further stipulation--one which is committed "at the work center," in other words, inside the center. It is therefore obvious that to consider as a crime the attacks by a worker against the discipline, order and assets of the work center with which he is connected, it is not necessary for the attack to have been made while the offender was working. It is enough for the offense to be committed inside the work center for it to be considered a violation of labor discipline as stipulated in Paragraph 10 of Article 2 of Decree Law No 11.

Legal Vocabulary

Judicial resolutions are stated in writing in the form of orders, judicial decrees and sentences.

In the penal process, according to their content, the resolutions adopted the following forms:

Order: When they are merely procedural or do not need to be stated in detail.

Judicial decrees: When they decide incidents or essential points that directly affect the parts or competence of the court: when they clearly reject or decide the advisability or not of the challenge, or decide the advisability or not of the challenge, or they resolve the appeals against the orders or judicial decrees, as well as others, that according to the law should be stated in detail.

Sentences: When they decide the principal question or deal with the nullity of the proceedings under the appeal of cassation.

Fixed sentence: When there is no possible appeal and judgment against the solemn public document that contains a fixed sentence.

9569
CSO: 3010

INTERNATIONALIST METALWORKERS ACTIVITIES IN ANGOLA NOTED

Havana TRABAJADORES in Spanish 26 Jan 91 p 6

[Text] In the metal and carpentry shop in Viana, in the People's Republic of Angola, a group of Cuban workers carries on socialist emulation conscientiously and enthusiastically.

Fundamentally, the center fabricates frames and doors for the various buildings being constructed by the Cubans in this sister nation, but that does not stop them from performing any other job that should arise, such as sawing wood, repairing deficient work objects made in other factories, etc.

The collective quality of this production unit is evident by the fact that in many cases they have been able to double the work productivity and increase production with the same personnel.

Of course, the explanation for this great effort is found in the fact that the shop was envisioned even before - the jobs to which it should supply materials were begun.

As a logical result, the personnel of this factory have had to increase their efforts and look for new work strategies.

Its workers have voluntarily worked more than 30 hours and have therefore earned the right to the special bonus of the Second Congress emulation.

"Here whatever is necessary is done; our community is competent and works as a whole with no questions asked," Isidro Hernandez, administrator of the shop, pointed out.

With an Outstanding Worker

Norberto Bristol, one of the most distinguished workers in the center, has been in Angola since August 1990. He is now 55 years old and has been a carpenter for 13 years.

Before the success of the Cuban Revolution, Bristol worked in the sugar mills for periods of 3 or 4 months; during his free time he had to do whatever work he could to survive with his family.

This humble son of the Cuban working class offers efficient cooperation in the sister African nation and this week has voluntarily worked more than 60 hours.

He states: "Our goal is to keep up with the work materials at the necessary rate, hoping to increase the productivity of the builders, we have achieved this up until now."

Angelo Rodrigal Castelino, general secretary of the union section of the center, states: "With a community as conscientious and disciplined as ours, great results can be achieved.

"The 37 workers in the unit work together; no one sticks to his specialty, and everyone does whatever is most necessary," he concludes.

(Condensed from VERDE OLIVO on internationalist mission)

9369
CSO: 3010

BRIEFS

SALE OF AUTOMOBILES--Considering the fact that automobiles have been sold without the authorization of the proper organizations, the Department of Traffic Safety of the General Directorate of the National Revolutionary Police informs the public that the sale of an automobile by the Territorial Enterprise for the Supply and Sale of Equipment and Parts [ETAVEF] or by Autoimport, both part of the CEATM [State Committee for Material and Technical Supply], should be authorized by the aforementioned enterprises and organisms. It also reiterates the fact that vehicles whose second letter is K, belonging to foreign technicians, may be sold only to another foreign technician or to the state of Cuba; by the same token, all vehicles belonging to embassies or foreign missions may only be sold to another embassy or foreign mission, or to the state of Cuba. [Text] [Havana JUVENTUD REBELDE in Spanish 2 Jan 81 p 2] 9569

CSO: 3010

PRESIDENT SPEAKS AT AGRICULTURAL DEVELOPMENT CEREMONY IN OLANCHO

Tegucigalpa EL CRONISTA in Spanish 2 Mar 81 pp 1, 7

[Text] The following is the speech delivered by Brig Gen Policarpo Paz Garcia, president of the republic, at the ceremony inaugurating the second stage in the Integrated Farm Development Project in the city of Catacamas, Olancho, on 28 February 1981:

Ladies and gentlemen:

Neither in my capacity as president of the republic nor as a Honduran citizen can I remain uninvolved in the significant events which are occurring today in the city of Catacamas, one of the motive centers in the rapid advance being seen in all sectors of the rich department of Olancho.

I thank you for having invited me to the ceremonies celebrating the inauguration of the second stage of the Integrated Farm Development Project, a project being carried out through the joint efforts of the Federation of Cooperative Savings and Credit Association of Honduras (FACACH) and the German Technical Cooperation Society.

It is of special interest to me to observe how these programs of technical and credit aid to the small and average farmers in this sector of Olancho are functioning, because the pilot center which has developed here, thanks to fruitful international cooperation, will without a doubt become the prototype of economic and technological mechanisms we can utilize in the future throughout our national territory to improve the conditions of life and work for our farm populations, in a way consistent with a basic sense of justice and such as to respond adequately to the requirements of national consumption and the need to promote our exports.

The program being carried out jointly in Catacamas by the farm development department of the FACACH and the German technical mission can be reduced to very specific, simple and understandable concepts.

It is materially impossible for the Honduran peasant to continue to work in isolation. I believe that there has always been a certain kind of cooperation among neighbors in rural communities, but they were relations so rudimentary and basic that the rural workers joined together more to share their difficulties and shortages than to contribute to their mutual improvement.

These primitive practices in working the land will soon be behind us, replaced by more just and humane and more generally useful concepts. The peasant sectors in the countries which are most developed are now receiving technical and financial aid from the industrialized sectors of the globe and the rational and methodical support which the respective governments in these areas are giving them insofar as they can.

A typical and enlightening example of this new policy is the cooperation carried on by the governments of Honduras and the FRG in the farm production sector. Finding effective systems so that the small and average farmers can earn more income, so that the population sectors least favored economically can improve the quality of their food, so that there will be a sufficient quantity of basic grains of superior nutritional quality on the national market, so that harvest surpluses can be stored without danger of spoilage--these are some of the goals sought in the Integrated Farm Development Program, which are real educational and training courses for so many peasant families which to date have depended solely on the traditional empirical practices or ingrained prejudices which deprive their work of efficiency, cancel out their efforts and perpetuate their poverty.

I am certain that the projects of the Integrated Farm Development Department of the FACACH will have the greatest success, provided one basic requirement is met: that the peasants benefiting from them act responsibly, dynamically and with a firm awareness of the duties it falls to them to carry out in this cooperative action, which has been planned with a view to their immediate well-being, more favorable educational opportunities for their children, and a noble future for the coming generations which will occupy the sites which the Hondurans of today have sanctified by their devotion to labor.

On behalf of the government of the republic of Honduras, I declare that the second stage of the Catacamas Integrated Farm Development Project has begun. At the same time, it is my pleasure to convey, on my own behalf and on behalf of the highest authorities of the nation, our gratitude to the FRG, worthily represented at these ceremonies by his excellency Ambassador Hans Helmut Hamburguer, and to the German technical mission, which is represented here by its honorable head, Dr Joachim Herzberg.

Without the contribution of this friendly country and this noble institution it would not have been possible to carry out these projects and programs for farm improvement. I most warmly congratulate the board of directors and its president, its general manager and the other officials of the FACACH for their exemplary dedication to a social reform project the immediate goal of which is to raise the personal status and the labor yield of the Honduran peasant, and as its overall purpose, placing Honduras among the nations in which the citizens honor labor, distribute its fruits justly and view the progress of the community as the product of the refinement of minds, and not as the result of anarchic conduct and inhuman violence.

Many thanks.

5157
CSO: 3010

FENAGH SOLUTION TO PRODUCTION PROBLEM DISCUSSED

San Pedro Sula LA PRENSA in Spanish 3 Mar 81 p 7

[Editorial: "The Production of Foodstuffs"]

[Text] It is news to no one that we are experiencing a crisis. The people, who feel it in their very bones, have already described it. And without need for complex studies, we are all aware that one of the sharpest thorns in this situation is the shortage of foodstuffs.

At the 30th convention of the National Federation of Farmers and Cattlemen of Honduras (FENAGH), which concluded recently, the situation was examined in detail and a rather discouraging diagnosis established, but at the same time a proposal was made to the government, which if it is accepted with a positive attitude, could help to improve the unfortunate situation which plagues us in substantial fashion.

Specifically, the businessmen in the rural sector propose:

1. Adjustment of public expenditures to the economic capacity of the country.

2. Doing everything possible to allow agriculture to increase production, to create jobs and reduce migration from the rural sector to the cities, facing up to the problems outlined with courage and decision, to which end the introduction of pertinent changes in the agrarian reform law will be necessary.

3. Establishing the emergency policies which will allow an increase in the cultivation of basic grains, with the establishment of exemptions for the farm areas engaging in this activity.

4. Evaluation of the status of the land allocated on the basis of agrarian reform, since neither the purposes of the law nor the most elementary production requirements are being met.

5. Establishment of programs for immediate action to protect the small and average producer, creating the necessary conditions for secure ownership of the land and providing the needed technical and credit aid.

6. Evaluation of the results and review of the principles which led to the creation of the COHBANA [Honduran Banana Corporation], the COHDEFOR [Honduran Corporation for Forest Development] and the CONADI [National Investment Corporation], in order to introduce the necessary corrective measures if they are to be maintained, and

7. Review of the investment projects to adapt them to the present economic situation, and to establish the order of priority for their implementation.

This is the essence of the proposal of the farmers and cattlemen.

It would be hard for anyone to oppose this suggestion, since it is realistic, concrete and feasible.

Naturally, as with any approach, some of the aspects are more permanent than others, and these involve a greater degree of urgency.

For example, we believe that point no 3, which suggests the immediate declaration of exemptions for the land devoted to the cultivation of basic grains, is crucial if we want to put an end to the shortage of foodstuffs, which is one of the main sources feeding the inflationary process which is throttling us.

Obviously, one of the most inexplicable absurdities in our agrarian reform law is this provision which supports the areas on which tobacco, coffee, bananas, citrus fruit and other crops are grown and penalizes those who have chosen to add to the food supply of Honduran citizens.

Naturally, there are many other unsavory aspects of that law, such as that which fixed "ceilings" for properties based on nothing but the arbitrary whim of the legislator, and neglecting the much more objective criteria having to do with productive capacity.

And we could list a number more.

But that which pertains to the "protected" crops involves the basic injustice, which has done harm not only to the farmers but to all the people, because there are thousands of poor families which have begun to suffer from physical hunger due to the high price of beans, rice and corn resulting from the shortage.

We are not very certain that the government will heed the FENAGH. But in our view, it should. For the production of foodstuffs, apart from representing work for many and satisfaction of the basic needs of so many others, means social peace.

And this latter factor cannot be ignored without risk that the fire which is spreading through the northern part of Central America will spread to Honduras and devour us in the end.

5157
CSO: 3010

BRIEFS

JOBLESS RATE INCREASES--About 70,000 Hondurans will be without work before the spring of 1981 ends, because the Chamber of Construction does not have the ability to continue to provide them with work, despite the efforts the government is making to alleviate the financial difficulties this trade union is experiencing. In recent statements, engineer Vicente Williams said that due to the lack of economic support, the contractors have begun a series of worker dismissals, forced to it in all cases by the serious financial situation from which they are suffering. Williams estimated that before this half of the year ends, at least 50,000 construction workers will swell the army of the unemployed. [Excerpt] [Tegucigalpa EL CRONISTA in Spanish 4 Mar 81 pp 1, 5] 5157

CSO: 3010

U.S. MANEUVERS NO 'THREAT' TO MEXICO

Mexico City EXCELSIOR in Spanish 4 Apr 81 p 6-A

[Editorial]

[Text] U.S. armed forces will hold maneuvers 35 minutes from the Mexican border. According to estimates of our ambassador, this will involve a total of 21,000 land and airborne troops and its purpose will be "a simulated war in preparation for a future worldwide confrontation, probably against armies trained and equipped by the Soviet Union, or against the latter itself."

It is not necessary to be an expert in strategy to appreciate the inconsistency between "simulating a war" with 21,000 men against armies that, at the moment, could total 21 million men. The conditions of this "future worldwide confrontation" would be so different from those prevailing in the deserts of Texas and New Mexico that, for the most part, such maneuvers would be useless.

The most likely thing is that this is a case of troops intended to fight abroad above and beyond what is expected of "advisors" and which, as confessed by the president of the United States, would operate in more than 30 countries. In such a case, the threat of a worldwide confrontation would be indirectly threatened by this [maneuver] because every "advisor," in the first stage, would represent a considerably larger number of belligerents, primarily revolutionaries.

It would be a matter of comparing the ambiental conditions which prevail in the maneuvers territory deliberately selected for its difficult climatic and atmospheric conditions, in order to infer the ultimate use that the U.S. strategists have in mind for these 21,000 "simulators." Offhand, Col Richard Beandry mentions Canada and Mexico--but by way of excluding them since they [the U.S. troops] could enter there "with no problem because we know the terrain conditions." This is not a case, then, of "intimidating" maneuvers as suggested by the coalition of Leftist parties.

CSO: 3010

TEXT OF FSLN'S DRAFT LAW ON REGULATION OF PROFESSIONS

Managua BARRICADA in Spanish 21 Mar 81 pp 8, 9

[Text] This is the final version of the draft law that will be introduced in the coming weeks to the Council of State. Thousands of professionals helped write the bill, and their suggestions and contributions enriched and improved the original proposal.

Whereas:

I. The Popular Sandinist Revolution has traditionally claimed that /work/ [word enclosed in slantlines printed in boldface] is a social function of service to the community, and therefore in Nicaragua we repudiate the utilization of professional work for purposes of exploitation and profit, so we must promote the lofty humanitarian and social goals of work without denying that it is a means to obtain a dignified and humane life for professionals and technicians; and

II. The development and enrichment of the nation require that those who possess special knowledge and skills as a result of their professional, technical and scientific training, make sacrifices and efforts in the practice of their professions; and

III. The Nicaraguan professional, aware of the revolutionary transformations we are undergoing, is an integral part of the working people, and as such has great responsibilities and an important role to play in the creation of a new society; and

IV. The professional has a duty to his country to participate in reconstruction, raise his own scientific and technical level, and contribute more productive work to the nation's development; and

V. In order to achieve these objectives it is necessary to promote the development of Professional Associations, encouraging professionals and technicians to join and participate; and

VI. The National Reconstruction Government is the state's organized expression of the independence, self-determination and liberty won by our people, and therefore is vested with the moral and material authority necessary to exercise its faculty of establishing norms and ensuring that professionals fulfill their functions for the benefit of the people of Nicaragua;

Therefore, in accordance with its faculties, the National Reconstruction Government Junta of the Republic of Nicaragua hereby decrees the following Law on the Regulation of the Practice of Professions:

Chapter I. Objectives

Article 1. The practice of professions shall be governed by the provisions of this Law, its Enabling Legislation and the Professional Codes of Ethics that shall be drawn up for each of the corresponding Professional Associations.

Article 2. The normative documents referred to in the above article shall have the following purposes:

a) To guarantee that the practice of professions serves the social function that is inherent in it.

b) To ensure that professional work is compensated in accordance with the importance of the service rendered.

c) To stimulate the scientific-technical and material progress of professionals and of their legally constituted associations.

Article 3. For the purpose of enforcing the provisions of Paragraph b) of the above article, the Law shall establish the fees corresponding to each profession.

Chapter II. Professionals and Practice of Professions

Article 4. For the purposes of this Law, the following people shall be considered professionals, whether or not they are authorized to practice the corresponding profession:

a) People with a university professional degree or a mid-level technical diploma legally obtained in this country.

b) People who have obtained university professional degrees or mid-level technical diplomas abroad that are legally recognized in this country.

c) People who have graduated from centers of higher learning and mid-level technical schools recognized as such by the National Professional Board (CNP).

Article 5. People included in the above article who have been authorized to practice their profession under this Law, are considered practicing professionals.

Article 6. The professional may practice only the profession or professions for which he has been expressly authorized, except in the case of special needs or interests of the nation, to be determined by the CNP.

Article 7. Technical services, studies, appraisals, consultations and any other work requiring the special knowledge of these professions may be rendered only by practicing professionals as defined in this Law and its Enabling Legislation. This provision does not reform those of the Civil Procedures Code with respect to expert evidence.

Article 8. Foreign professionals hired by state institutions or enterprises, or private or mixed entities, to render specific services for a limited period of time, shall be exempt from the requirements for authorization set forth in Article 19 of this Law, provided that the need for and quality of those services be sufficiently demonstrated to the CNP, which may grant the corresponding authorization. An exception shall be made for the provisions of the treaties or contracts signed by the state.

Chapter III. National Professional Board

Article 9. The National Professional Board is hereby created, to be known by the acronym CNP, or simply the Board. It shall be governed by this Law and its Enabling Legislation.

Article 10. The National Professional Board (CNP) shall draw up the National Policy on the Practice of Professions, and shall enforce said policy throughout the nation once it is approved by the National Reconstruction Government Junta.

Article 11. The CNP, in order to fulfill its responsibilities, shall enjoy functional autonomy, and shall have the necessary economic resources, which shall be obtained in the following manner:

a) From the portion allotted in the General Expenditures Budget of the Nation.

b) From the bequests, donations or contributions received from other government institutions or private parties, whether national or foreign.

c) From other income to be indicated later.

Article 12. The National Professional Board shall have the following faculties:

a) To enforce this Law and its Enabling Legislation.

b) To authorize and supervise the practice of professions, in accordance with this Law.

c) To terminate or temporarily suspend the privilege of practicing a profession, under the provisions of this Law.

d) To enforce the sanctions set forth in this Law in the case of professionals who violate the provisions of said law, or the norms of the Professional Codes of Ethics of the corresponding association, within its competence.

e) To grant the rehabilitation of professionals who have been penalized with the suspension or termination of the privilege of practicing their profession.

f) To intercede in a friendly manner to resolve conflicts that arise among professionals in their work, or between them and those who use their services. Once that channel has been exhausted without resolving the conflict, the parties involved, if they so desire, may exercise their rights and resort to the appropriate legal channel.

g) To coordinate with the National Higher Education Council (CNES) and the Professional Associations the sharing of knowledge, experiences and educational support

by the professionals of the country, national or foreign universities and other authorized centers of higher learning.

h) To approve the Fees Proposal submitted by the Professional Associations and present it to the state legislative organizations.

i) To submit the budget for its proper and effective operation, to the National Reconstruction Government Junta for its approval.

j) To draw up its own Bylaws.

k) To approve the Bylaws and the Professional Code of Ethics presented by each of the Professional Associations.

l) To encourage the improvement of professional human resources, with a view to providing an integral and continuing education, in accordance with the country's needs.

m) To keep a National Professional Registry and a National Registry of Associations, as provided in this Law.

n) To promote the creation of an Institution of Permanent Professional Training.

ñ) To include scientific research as a fundamental part of the duties of professionals and their associations.

o) To create and grant prizes and awards to the professionals and associations that distinguish themselves in their social, scientific and technical efforts for the benefit of the nation.

p) To contribute to the solution of the problems that arise in the practice of professions, and to the achievement of professionals' demands.

q) To furnish for the government as well as the private and mixed sectors, at their request, sufficient information about national or foreign professionals who are capable of fulfilling the functions required by public service, for the purpose of guaranteeing the competence of those who are hired.

r) All other faculties necessary for the enforcement of this Law and its Enabling Legislation.

Article 13. The National Professional Board shall be constituted as follows:

a) By a delegate from the Ministry of Justice.

b) By a delegate from the Ministry of Planning.

c) By a delegate from the National Higher Education Council (CNES).

d) By three representatives of the Federation of Professional Associations of Nicaragua governed by this Law, one of whom shall serve in a rotating capacity.

The members of the Board shall be designated with their respective alternates, who shall fill temporary or permanent vacancies left by said members. The majority of the members must be present to form a quorum and to make any agreements valid.

Article 14. The National Professional Board shall have an Executive Committee, which shall enforce the agreements made by the Board. Its faculties shall be set forth in the Enabling Legislation of this Law.

Article 15. The Executive Committee shall be presided over by a Chairman, to be named by the National Reconstruction Government Junta from among the professional members of the Board. There shall also be a Secretary, to be named by the Chairman from among the members of said Board.

Article 16. The Chairman of the National Professional Board must:

a) Be a Nicaraguan citizen by birth.

b) Be more than 30 years of age.

c) Have practiced the profession for at least the last three (3) years.

Article 17. The functions and faculties of the Chairman under this Law shall be: to represent the Board, to exercise the powers granted the Board under the Law, to direct the organization and its integral operations, and to execute its work programs.

Article 18. The Secretary of the Board, in addition to the administrative functions delegated by the Chairman, shall have the following duties:

a) To call the ordinary and special sessions of the Board.

b) To take down the Minutes and record the Agreements made by the Board.

c) To keep the registration books recording the authorization of professionals and the Professional Associations.

Chapter IV. Authorization

Article 19. The National Professional Board shall authorize the practice of professions upon receipt of a written application, and with the fulfillment of the following requirements:

a) Be a professional in accordance with the definition contained in Article 4 of this Law.

b) Submit to the National Professional Board the corresponding diploma or degree; personal identification documents and any other document deemed necessary by the Board.

c) Have moral solvency and enjoy full civil rights. Moral solvency is presumed unless the contrary is proven.

If the applicant meets the legal and moral requirements for practicing a profession, an indication of the authorization will be placed on his diploma or degree, along with the corresponding volume and page numbers of the registry.

Article 20. The Board shall decree the suspension or cancellation of the corresponding authorization pursuant to the provisions of Article 41 of this Law.

Chapter V. Professional Associations

Article 21. The Professional Associations are civil, non-profit entities formed by the professionals referred to in this Law. Their purpose is to defend the interests of the nation, to promote the progress of science, to fulfill the social function inherent in the practice of each of the professions, and to defend the interests of the association.

Article 22. For the purposes of this Law, those organized groups of professionals which at the time this Law comes into effect are duly constituted, and those groups which shall be constituted in the future in accordance with this Law, are considered to be associations.

Article 23. In order to be recognized as such, the formation of Professional Associations must conform to the Juridical Personality Law and the modifications thereof contained in this Law.

Article 24. The Professional Associations shall be national organizations, and their headquarters shall be located in the capital of the republic; however, for organizational purposes or any other specific purpose, branches may be set up in the department capitals. Said branches shall be made up of the associates who live in those cities, as long as there are not less than five (5) of each association. The Bylaws shall set forth the functions, activities and procedural norms of these organizations.

Article 25. The Professional Associations shall have their own resources, which shall consist of all the goods and rights acquired in any capacity. They shall be free to administer their property as they see fit, but they shall not be able to utilize their resources for purposes other than those that are appropriate to such organizations. They shall be accountable in their accountancy and to the CNP, when the latter so requests, in terms of the administration of such property.

Article 26. The Professional Associations shall have the following duties:

a) To cooperate with the CNP in the enforcement of this Law and its Enabling Legislation.

b) To coordinate and supervise the conduct of their associates in the practice of their respective professions, in accordance with the provisions of their respective Bylaws and the corresponding Code of Professional Ethics, informing the CNP of their recommendations.

c) To protect the right of association members to practice their profession.

d) To encourage and promote cultural and scientific enrichment, as well as the continuing training of members, for the purpose of enhancing the image of the profession and ensuring that they carry out the proper social function.

e) To cooperate with the CNP, the National Higher Education Council and the Professional Education Centers, at the request of these entities, in the administrative, institutional, technical and cultural aspects.

f) To assist the state in the evaluation and solution of national problems.

g) To promote solidarity and mutual aid among associates.

h) To elect their own authorities democratically.

i) To write their Bylaws and Codes of Ethics, which shall be mandatory for members once they are approved by the National Professional Board.

j) To keep the Professional Registry of the association in question.

k) To encourage professionals to join and organize themselves.

l) To draw up the Professional Fees Proposal and submit it to the CNP for its approval.

m) To apply the sanctions set forth in this Law for the violation of the norms contained in the Bylaws and the Codes of Ethics, within their competence.

n) To propose or recommend to the CNP the temporary or permanent suspension of the privilege of practicing a profession when the nature of the infraction so indicates.

Article 21. The Bylaws of the Professional Associations shall contain the following:

a) Obligations and rights of associates.

b) Definitions of sessions and procedures for General Assemblies of associates, both ordinary and special sessions, and the manner in which assemblies shall be convened.

c) Observance of the Code of Professional Ethics, sanctions for non-compliance, and procedures for imposing said sanctions.

d) Amount of dues, form of payment, sanctions for non-payment of dues, and rules for the budgeting of revenues and outlays.

e) Other provisions deemed appropriate for the organization, direction and administration of the association.

Article 22. The Professional Associations shall have the following bodies:

a) The General Assembly, the supreme entity.

b) The Board of Directors, the executive body responsible for leadership, government and legal representation.

c) The Tribunal of Honor, the entity charged with undertaking investigations and making rulings on questions related to violations of the Code of Professional Ethics.

Article 29. The association, following a ruling by the Tribunal of Honor, may impose the following sanctions on its members for violating the Bylaws and the Code of Professional Ethics:

Warning, private admonishment, public admonishment, expulsion from the association and a recommendation to the CNP that the privilege of practicing the profession be temporarily or permanently suspended, depending on the nature of the infraction.

The above-mentioned sanctions shall be communicated to the CNP.

Article 30. The professional is free to choose whether or not to belong to the corresponding association.

Article 31. The Professional Associations may form federations and affiliations with international organizations, in accordance with the provisions of this Law.

Article 32. The professional owes his loyalty to the interests of the nation and his profession.

Article 33. The professional has an obligation to constantly raise the level of his knowledge and experience through continuing education and exchanges with colleagues at home and abroad.

Article 34. In the event of a catastrophe, in which the government declares a state of emergency, at a national as well as a local level, the professional must lend his assistance within the area of his expertise, in the manner determined by the National Reconstruction Government Junta, through the CNP.

Article 35. The professional has the right to free and full determination of his political condition as well as his economic, social and cultural development, pursuant to the Fundamental Statute and the Statute of Rights and Guarantees of Nicaraguans.

Article 36. Professionals have the following rights:

a) To elect and be elected democratically to the representative positions of the association.

b) To apply for grants to attend congresses, seminars and specialization courses at home or abroad.

c) To be encouraged to apply for awards and prizes for their professional, scientific, technical and humanitarian work for the benefit of the nation.

d) To obtain the necessary conditions for a decent life.

e) To achieve higher levels of formal education by means of training in national or foreign universities, or special courses appropriate to their working conditions.

f) To obtain the necessary facilities for the adequate practice of their profession.

Chapter VI. National Federation of Professional Associations

Article 37. The National Federation of Professional Associations is understood to be the group of Professional Associations, legitimately represented by their delegates who have been democratically elected by the members for that purpose.

Article 38. In order to carry out its functions and meet its objectives, the Federation must be constituted in accordance with the provisions of the current Juridical Personality Law and the modifications thereof contained in this Law.

Article 39. The Federation shall consist of three (3) delegates from each of the affiliated Professional Associations, democratically elected in accordance with the regulations set forth in their respective Bylaws.

Article 40. The governing bodies of the Federation shall be the following:

a) The General Assembly, the supreme authority, which shall consist of three (3) delegates from each of the affiliated Professional Associations.

b) A Standing Committee which shall be the Executive Board, made up of one (1) member from each association, elected by the General Assembly; the Executive Board shall elect its own Directorate, to be made up of a President, a Vice President and a Secretary.

Article 41. The term of the members of these entities, the number and type of sessions, the number required to make a quorum and to reach decisions, and all the regulations, when not set forth in this Law, shall be stipulated in the respective Bylaws. The General Assembly has the exclusive responsibility for drawing up the Bylaws and Regulations of the Federation, both subject to CNP approval.

Article 42. The Federation shall have the following objectives:

a) To elect three (3) delegates, with the corresponding alternates, to represent it before the CNP, pursuant to the stipulations of Article 13 of this Law.

b) To cooperate with the CNP in the correct application of the policies and strategies approved by the National Reconstruction Government Junta.

c) To cooperate with the CNP in the promotion of the scientific, cultural, technical and social development of the nation.

d) To promote the scientific and material progress of the professional groups that belong to the Federation.

e) To ensure harmony among the different professional groups and mediate in the conflicts that may arise.

f) To defend the rights of its associates and take the necessary steps to facilitate and guarantee their well-being.

g) To maintain and stimulate the fraternal spirit of the nation's professionals, and to make an effort to unite with similar federations and associations in other countries.

h) To submit its Bylaws and Regulations to the CNP for its approval.

Article 43. The Bylaws of the Federation shall contain the following:

a) Obligations and rights of the associations.

b) Requirements for membership on the Standing Committee.

c) Definition of sessions and the manner of convening the General Assembly, and the ordinary and special sessions of the Standing Committee.

d) Observance of the Bylaws and Regulations, and enforcement of sanctions for non-compliance, as well as the procedures for such enforcement.

e) Amount of dues, form of payment, sanctions for non-payment of dues and rules for the budgeting of revenues and outlays of the Federation.

f) Procedure for electing the Federation's delegates and alternates to the CNP.

g) The other regulations set forth in this Law and the other norms that are deemed appropriate, provided that they do not contradict the provisions of this Law.

Chapter VII. Illegal Practice, Other Violations, Sanctions and Recourses

Article 44. Professions may be practiced only by professionals duly authorized for that purpose. Therefore, in addition to the cases stipulated in the current Penal Code, the following are cases of the illegal practice of a profession:

a) Those who, without possessing the necessary degree as indicated in Article 4 of this Law, advertise themselves as or claim to be professionals, or undertake to carry out actions or to render services reserved for professionals in this Law.

b) Those who, having obtained the necessary degree, carry out the actions intrinsic to a profession without having obtained the authorization set forth in Chapter IV of this Law.

c) Those who practice a profession during a time when their privileges have been temporarily or permanently suspended, or their authorization has been revoked.

Article 45. Fines whose amounts shall be set forth in the Enabling Legislation of this Law, shall be imposed on the following people:

a) Those who practice a profession illegally.

b) Officials or public employees who interfere with or impede the enforcement of this Law, or who do not comply with it.

c) Professionals who commit any other violation of the provisions of this Law, its Enabling Legislation or the Code of Professional Ethics.

Article 46. The sanctions set forth in Paragraph c) of Article 13 shall be imposed in the following cases:

a) For the commission of crimes or violations under the Penal Code, whether or not they relate to the practice of a profession, which discredit the profession or cause serious damage to society.

b) For fraudulent or criminal practices which harm third parties, when such action is not a punishible infraction.

c) For the violation of the norms of the Code of Professional Ethics, within the competence of said Code.

d) For any actions or omissions which threaten the ethical principles that govern this Law.

In the cases mentioned in this article, the professional groups which render services integrally or collectively, whether or not they have juridical personality, shall be held jointly accountable for such actions.

Article 47. The CNP shall be the competent organization to investigate the infractions mentioned in this chapter, and to impose sanctions.

The fines mentioned in the above paragraph shall be paid to the state treasury, and thus shall be paid or deposited, depending on the case, in the offices of the Internal Revenue Administration corresponding to the residence of the offender.

Article 48. CNP resolutions may be challenged through administrative or jurisdictional channels established by current legislation.

Article 49. The CNP is hereby authorized to draft the Enabling Legislation of this Law.

Article 50. This Law reforms Article 3 of the Law on Professional Degrees, published in Gazette No. 13 of 19 September 1979, and derogates any other prior legal provision that wholly or partially contradicts it.

Article 51. All those professionals who are authorized to practice their profession under earlier legislation at the time this Law comes into effect, need only register as such with the CNP within six (6) months.

Article 32. This Law shall take effect as of the date of its publication in the Official Gazette.

Issued in the City of Managua, JRM, this day and this month Nineteen Hundred Eighty.

National Reconstruction Government Junta

8926
CSO: 3010

MIDINRA OUTLINES PROGRESS IN COTTON HARVEST, OTHER AREAS

Managua EL NUEVO DIARIO in Spanish 22 Mar 81 p 5

[Text] Spokesmen for MIDINRA [Ministry of Development-National Institute for Agrarian Reform] informed EL NUEVO DIARIO that, according to information supplied by the bank branches operating in the department of Chinandega, the total number of manzanas recorded for cotton planting for the 1980-81 season was 69,099.5 However, 64,238 were planted, including 7,334 manzanas associated with the People's Property Area (APP), which accounts for only 11.42 percent of the total planting. As for the area covered by PROCAMPO [Rural Program], involving small farmers, the total was 4,555 manzanas.

The informants added that the estimated production is 40 raw quintales per manzana, and hence it is anticipated that there will be a total of 2.56952 million raw quintales, of which number 2.09335 million quintales will be related to the private area, or that of individuals, 182,000 quintales to PROCAMPO and 293,360 quintales to APP. Thus, the MIDINRA spokesmen added, it is expected to have a ginning yield of 925,027.2 quintales of staple, 1.3618456 million of seed and 282,647 quintales of waste, representing 36 percent staple, 53 percent seed and 11 percent waste, respectively; with the area covered by PROCAMPO accounting for 7.09 percent of the ginning yield, which is equivalent to 65,592 quintales of staple, 96,566 quintales of seed and 20,042 quintales of waste. In the APP, the yields are as follows: 105,609.60 quintales of staple, 155,480.80 quintales of seed and 32,269.60 quintales of waste.

In bale production, it is estimated that there will be an average of 4.8 quintales as a mean yield per bale; that is, a total of 192,714 bales. Of that number, 13,663.42 are related to PROCAMPO, and 22,027.21 to the People's Property Area.

Difficulties

According to a discussion held with Comrade Guillermo Saavedra (cotton technical director of the APP), some rather difficult situations have cropped up during this cotton season.

On the one hand, he mentioned, there is the mechanized work, indicating that in this respect the APP's machinery, which is held by the Agromechanization Enterprise (AGROMEC), owing to lack of stock failed to meet the priority requirements, both for the preparation of the land and for the other activities associated with cotton growing. He also admitted that the inadequate supply of spare parts and the poor

distribution of machinery prompted these shortcomings; noting that the studies of the stocks of available spare parts were not made at the proper time and sufficiently in advance. He also added that a lack of trailers was noted for the respective loading and transporting of raw cotton.

Comrade Saavedra cited as another major problem occurring during the present cotton season the shortage of manpower among the traditional cutters, admitting that, even though the incorporation of students, laborers, office workers, militiamen and troops from the EPS [Sandinist Popular Army] was helpful, the optimal number of quintales was not cut by the comrades who put in volunteer work days, owing, naturally, to their meager experience to date.

As for the air fumigation services, the ETSA (an APP enterprise) also failed, because certain spraying programs were delayed, which will certainly have an effect shortly, according to the analyses made by the entomologists. For individual reasons, such as the lack of spare parts for the aircraft, machinery itself that is not yet available and the fact that the area to be covered was rather large this year, ETSA could not provide 100 percent of what was required. It was also admitted that ETSA was obliged to provide fumigation services for the banana-growing area as well.

However, it is recognized that for both the People's Property Area and the private sector, the greatest problem during the present season has been the lack of available manpower (professional cutters), owing to the fact that the cutting coincided with the coffee harvest, which naturally absorbed a large volume of the labor available to the cotton sector in other years. There was also a shortage of cutters who previously came from Honduras and El Salvador.

Benefits

The western section of the country (Chinandega and Leon) is considered a region of strategic priority for the Sandinist Agrarian Reform. For example, we observe that, in the Chinandega section, MIDINRA is running the Ricardo Morales Aviles Agricultural Enterprise, the Oscar Turcios Agricultural-Livestock Enterprise, Amolonca Industries, and the German Pomares Ordonez Sugar Complex, converting MIDINRA-Chinandega into one of the greatest generators of employment and foreign exchange, reducing by itself the unemployment rate in the Pacific area. The enterprises, like the institution, have been progressing on the basis of structures and cadres that make it possible to cope with the plans devised within the context of national reconstruction.

How PROCAMPO Is Progressing

Small production is about 50 percent of that administered by MIDINRA in the west. Through PROCAMPO the Sandinist Agricultural-Livestock Cooperatives (CAS) have been organized as superior forms of production, and they have been created to a large extent on land leased from MIDINRA. The owners of their land, for their part, are still for the most part small plot owners, although they are grouped into credit cooperatives.

In this area, a Social Programs Division was created, which was set up in January 1980, inasmuch as this kind of service was only provided in the northern part of the department. Now, through this division, cooperation is given for the establishment of Rural Supply Centers (CAR), seven of which have already been formed, and

have been strategically distributed in the department. These CAR had to act speedily, because of the situation involving a large number of middlemen dealers who were destabilizing the real wages of the workers in the sector. Thus, the CAR have been put in the hands of the Agricultural Workers Association (ATC), for more direct control of the situation.

Health

With respect to health there are currently nine stations to provide care for the INRA workers. These nine health stations have personnel consisting of five nurses and 50 health brigade members, who render first-aid service, have already held massive vaccination drives and have implemented a nutritional diet for the cotton cutters, which has been carried out 100 percent. In addition, they have a mobile medical service with a physician in charge and a nurse who (according to statistical data) have averaged 1,400 visits per day, touring the three UPES [Sandinist State Production Units] in the area, which they visit every day. There are also three Rural Children's Services (SIR), which provide services for youngsters in the areas of immunization, nutrition and preventive health care in general.

Schools and People's Stores

In this respect, MIDINRA reports that 12 schools have been set up, with 17 teachers who provide unified instruction; and, similarly, 10 people's stores have been created in the northern section, administered by the sector's regional delegation. The people's stores (TP) supply an approximate population of 42,000 persons who are typically representatives of medium and small production. Also, a clinic was created next to the MIDINRA facilities, which offers 80 office visits per day, on regular 8-hour work-days. Added to the clinic is a people's pharmacy, which has a stock of pharmaceuticals sufficient to fill 60 percent of the medical prescriptions given to the workers.

Housing

In the area of housing, MIDINRA has made great progress. A settlement that has been christened with the name Jose de la Cruz Flores has started construction, with a capacity for 70 dwellings, and another one is planned in Rancherias, for 100 dwellings. Moreover, in the various UPES, administered by MIDINRA through its enterprises, 56 modules are under construction, with a capacity of four families per module; in other words, 226 families will benefit from this project. And, as if this were not enough, another 72 houses are being built for families, as well as nine camps for seasonal cutters. The investment for these projects is approximately 15 million cordobas.

Sports

In the sports area, the Ricardo Morales Aviles Agricultural Enterprise has sponsored 24 baseball teams. As one may observe, the revolution (and only the revolution) can think of everything, considering recreation a right of all the people, and not, as it was thought in the past, an asset of urban groups or sectors.

The APP's Agroindustrial Enterprises

MIDINRA is administering in the agroindustrial sector, specifically in the German Pomares Ordonez Sugar Complex, 4,558 manzanas of its own, and 5,795.15 of settlers from the sector.

The production in the APP is 40 tons per manzana, making a total of 201,293.16 tons of cane, which is equivalent to 382,457 quintales of sugar. In the settlers' sector, also with an output of 40 tons per manzana, a total of 231,806 tons of cane has been produced, equivalent to 44,431.40 quintales of sugar.

In the Amolonca Industry, for its part, vegetable products such as okra, blackeyed peas, corn, green beans, broccoli, etc. are processed; and this industry has a capacity for processing 600,000 pounds per year.

The ginners affiliated with the APP in Chinandega are the Roger Deshon, Las Melas and La Union. The first has two plants with a daily ginning capacity of 5,600 raw quintales, and a capacity to store 40,000 quintales and/or 15,000 bales.

Las Melas has a plant with a daily ginning capacity of 2,970 raw quintales, and a capacity to store 78,000 quintales and/or 50,000 bales. The La Union ginning facility for its part, has two plants with a daily ginning capacity of 3,000 raw quintales, and a capacity to store 30,000 raw quintales and/or 5,000 bales in cattle pens.

Contribution to Consolidation

In this section of the country, administered by MIDINRA, a combination of interests is, therefore, occurring that exceeds all past systems. In fact, the integrated production, which combines agricultural production with the industrial process in the same production center, responds to the strategic plan of the Sandinist economy to integrate agricultural-livestock production with industrial production, and attests to the fundamental progress that is already evident in the case of the agroindustries, which in fact have a great influence on the consolidation of the process in general.

Workers' Participation

One of its spokesmen claims that, to MIDINRA, the most important thing is not the confiscation or nationalization of all the means of production. What matters is having an extensive control by the workers, on the national level, over production and the means of production; and thus the workers' participation in management is a fundamental factor that makes it possible to attain this goal. Our informant states: "Socially speaking, the goal is to improve the living conditions of the producers of social wealth;" and, as for the workers' participation in the economic management of the people's enterprises, "It represents the transformation of the social relations of production, which is one of the fundamental goals of our Sandinist Agrarian Reform."

2909
CSO: 3010

MEDICAL COLLEGE DEAN DESCRIBES MEDICAL EDUCATION, GOALS

Managua BARRICADA in Spanish 22 Mar 81 pp 1, 5

[Text] Dr Fabio Salamanca, dean of the School of Medical Sciences of the UNAN [National Autonomous University of Nicaragua], told BARRICADA that, within 10 years, Nicaragua may have one doctor for every 1,000 inhabitants, a goal assigned to the underdeveloped countries of the world. He said that this will hold true if there are the necessary economic resources and the priority given to the health plans on the part of the government of national reconstruction.

Also being considered is the project to be carried out within 4 years, to open a school of medicine in Managua, for which there would be a budget added to the present one for the School of Medicine, which was 12.7 million cordobas this year.

In an exclusive interview with this newspaper, Dr Salamanca commented on the development of medicine in Nicaragua, the production of doctors during the next few years, the status of the School of Medicine and other interesting topics that we shall discuss as follows:

One Doctor for Every 2,300 Inhabitants

Dr Salamanca reported that, at the present time, Nicaragua has a population of 1,200 doctors (not counting those who are currently engaged in internationalist solidarity work), which means that there is one doctor for every 2,300 inhabitants.

If the "production" maintains the current rate (of evident growth) in 1985, when a total population of 3.7 million persons is anticipated, Nicaragua will have only 2,000 doctors.

Under the previous regime, in 1972 to be more precise, the number of students enrolling to study medicine was from 50 to 80 youths. Why? To enroll in the School of Medicine meant having sufficient economic means to pay the cost of the course, and also having a high average in academic achievement. With the revolution, the cost of the course has declined, and the rating of the students to enter the course is less stringent. All that is taken into account is a good average of grades.

Each year, the number of students is increasing. After the Sandinist victory, the enrollment rose to 220, and last year, it increased to 500 in the first semester, and to 550 in the second semester.

Comrade Salamanca confirmed the fact that the school's enrollment capacity amounts to 650. Exceeding that figure means opening another school of medicine.

Students From All Departments

In the past, the majority of students entering the medical course came from the central section of the country. Starting last year, the quota of students enrolling is divided among the various departments. This is a new plan that was implemented so that, after graduation, the doctor would render his services in the same location from which he came.

Comrade Salamanca stressed the fact that there is currently a transition plan in the course of study, based on the single health system and on the very functions that the future doctor will discharge in Nicaraguan society. The new study plan consists of giving the course according to subject matter, called blocs; in other words, the course of study is now based on area.

The Study Plan

The study plan for basic first year students has also been changed. During the first semester, the courses are general; during the second semester, introductory subject matter for the profession is offered, for example: patient care techniques, education and health, introduction to the medical profession, explanation of the single health system, programs of the Ministry of Health, training in first aid, etc. During this semester, the students will be integrated into the People's Health Drives, in this way actually supporting that revolutionary program, while coming in complete contact with the people's situation.

Work-Study

Comrade Salamanca said that one of the important courses in the study program is that of work-study, which is the focal point integrating the knowledge acquired by the students in their practice. The first year students are integrated into the People's Health Drives; the second year students, into that for school hygiene; the third year students, into environmental hygiene; the fourth year students, into the program for complete care of the adult; and the fifth year students are incorporated into the care of mother and child.

Clinical Course in Managua

Owing to the increase in students, the clinical course area (the practice course which takes the fourth and fifth year students in the profession, such as those specializing in surgery, gynecology and obstetrics and clinical specialties) has been transferred to Managua. In Leon, the capacity for this course accommodates from 160 to 200 future doctors, for which the surplus, of 70 students, take their practice in the Managua hospitals.

Plans

The dean of medicine said that the school, in cooperation with the Health Ministry, has planned to create other specialties in areas wherein there is the greatest need and little attention to this specialty. Since last October, the specialties that the medical school graduates can study for a 3-year period have been pediatrics, obstetrics, surgery and general medicine.

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